

EXHIBIT 1.



POLO RALPH LAUREN

INVESTOR RELATIONS

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INTRODUCTION

Polo Ralph Lauren Corporation (NYSE: RL) is a leader in the design, marketing and distribution of premium lifestyle products in four categories: apparel, home, accessories and fragrances. For more than 40 years, the Company's reputation and distinctive image have been consistently developed across an expanding number of products, brands and international markets. The Company's brand names, which include *Polo by Ralph Lauren*, *Ralph Lauren Purple Label*, *Ralph Lauren*, *Black Label*, *Blue Label*, *Lauren by Ralph Lauren*, *RRL*, *RLX*, *Rugby*, *RL Childrenswear*, *Chaps* and *Club Monaco*, constitute one of the world's most widely recognized families of consumer brands.

FISCAL 2007 WORLDWIDE WHOLESALE NET SALES
OF POLO RALPH LAUREN PRODUCTS¹
(dollars in millions)

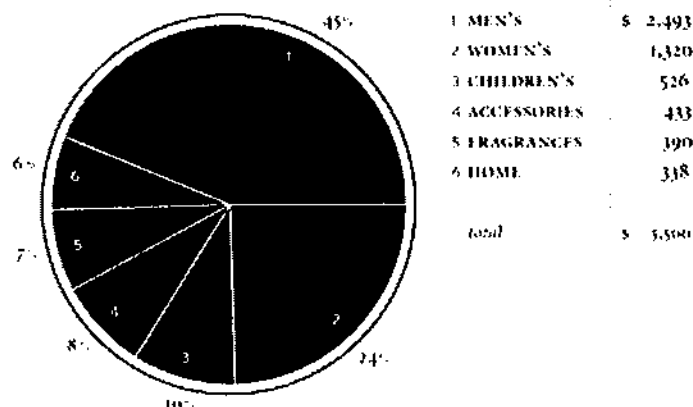


EXHIBIT 2.

POLO RALPH LAUREN

MANAGEMENT'S DISCUSSION AND ANALYSIS

Wholesale net sales — the net increase primarily reflects:

- the inclusion of \$190 million of revenues from our newly acquired Footwear and Polo Jeans Businesses;
- a \$156 million aggregate net increase led by our global menswear, womenswear and childrenswear businesses, primarily driven by strong growth in our Lauren product line, increased full-price sell-through performance in our menswear business and the effects from the successful domestic launch of our new Chaps for women and children product lines. These increases were partially offset by a decline in footwear sales (excluding the impact from acquisition) due to our planned integration efforts as we repositioned the related product line; and
- a \$27 million increase in revenues due to a favorable foreign currency effect, primarily related to the strengthening of the Euro in comparison to the U.S. dollar in Fiscal 2007.

Retail net sales — For purposes of the discussion of retail operating performance below, we refer to the measure “comparable store sales.” Comparable store sales refer to the growth of sales in stores that are open for at least one full fiscal year. Sales for stores that are closing during a fiscal year are excluded from the calculation of comparable store sales. Sales for stores that are either relocated, enlarged (as defined by gross square footage expansion of 25% or greater) or closed for 30 or more consecutive days for renovation are also excluded from the calculation of comparable store sales until stores have been in their location for at least a full fiscal year. Comparable store sales information includes both Ralph Lauren stores and Club Monaco stores.

The increase in retail net sales primarily reflects:

- an aggregate \$104 million increase in comparable full-price and factory store sales on a global basis. This increase was driven by a 6.6% increase in comparable full-price Ralph Lauren store sales, a 10.9% increase in comparable full-price Club Monaco store sales, and an 8.1% increase in comparable factory store sales. Excluding a net aggregate favorable \$9 million effect on revenues from foreign currency exchange rates, comparable full-price Ralph Lauren store sales increased 5.7%, comparable full-price Club Monaco store sales increased 10.9%, and comparable factory store sales increased 7.5%;
- an increase in sales from non-comparable stores, primarily relating to new store openings within the past fiscal year. There was a net increase in global store count of 3 stores compared to the prior fiscal year, to a total of 292 stores. The net increase in store count was primarily due to several new openings of full-price stores, partially offset by the closure of certain Club Monaco Caban Concept and factory stores and Polo Jeans factory stores; and
- a \$26 million increase in sales at Polo.com.

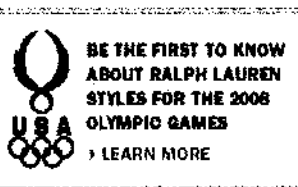
Licensing revenue — the net decrease primarily reflects:

- the loss of licensing revenues from our Polo Jeans and Footwear Businesses now included as part of the Wholesale segment;
- a decline in eyewear-related royalties due to the wind-down of the Company's pre-existing licensing agreement prior to the commencement of the new Eyewear Licensing Agreement which took effect on January 1, 2007;
- a decline in Home licensing royalties; and
- a partially offsetting increase in international licensing royalties and the accelerated receipt and recognition of approximately \$8 million of minimum royalty and design-service fees in connection with the termination of a domestic license agreement during Fiscal 2007.

Cost of Goods Sold. Cost of goods sold increased by \$235.3 million, or 13.7%, to \$1.959 billion in Fiscal 2007 from \$1.724 billion in Fiscal 2006. Cost of goods sold expressed as a percentage of net revenues decreased to 45.6% in Fiscal 2007 from 46.0% in Fiscal 2006. The net reduction in cost of goods sold as a percentage of net revenues primarily reflects the ongoing focus on improved inventory management, including sourcing efficiencies and reduced markdown activity as a result of better full-price sell-through of our products.

Gross Profit. Gross profit increased by \$313.8 million, or 15.5%, to \$2.336 billion in Fiscal 2007 from \$2.022 billion in Fiscal 2006. Gross profit as a percentage of net revenues also increased to 54.4% in Fiscal 2007 from 54.0% in Fiscal 2006. The increase in gross profit reflected higher net sales and improved merchandise margins in our wholesale and retail businesses, including the continued emphasis on shifting the mix from off-price to full-price sales across our wholesale product lines, as well as the focus on improved inventory management discussed above. However, the overall improvement in gross profit margins was partially offset by the lower gross profit performance of our newly acquired Polo Jeans Business associated with the liquidation of existing inventory in anticipation of the redesign and launch of our new denim and casual sportswear product lines during spring of calendar 2007. Gross profit margins related to our Footwear Business have also been negatively impacted during Fiscal 2007, primarily by integration efforts as we repositioned the related product line.

EXHIBIT 3.



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ON ORDERS MORE THAN \$195
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RALPH LAUREN STORES

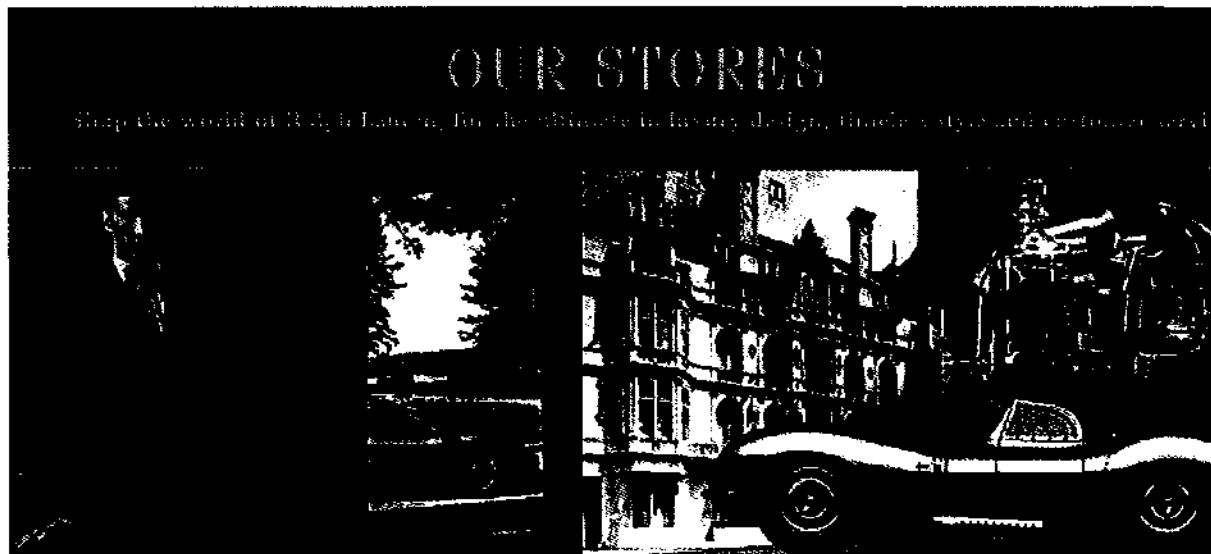
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SEARCH AGAIN:

UNITED STATES:

BY STATE:

OR ZIP CODE:

INTERNATIONAL:

Select Country

Pages: 1 2

Please contact store to confirm holiday hours, directions and product availability.

All Results (28)

Ralph Lauren Stores (13)

Factory Stores (15)

1. Ralph Lauren
444 N. Rodeo Drive
Beverly Hills, CA 90210
310-281-7200

Hours
Mon-Sat 10-6
Sun 12-5

[Map & Directions](#)

2. Ralph Lauren
1304 Burlingame Avenue
Burlingame, CA 94010
650-343-6558

Hours
Mon-Sat 10-6
Sun 11-5

[Map & Directions](#)

3. Ralph Lauren
South Coast Plaza
3333 Bristol Street
Costa Mesa, CA 92626
714-556-7656

Hours
Mon-Fri 10-9
Sat 10-8
Sun 11-6:30

[Map & Directions](#)

4. Ralph Lauren

7830 Girard Avenue
La Jolla, CA 92037
858-459-0554

Hours

Mon-Sat 10-6
Sun 12-5

Map & Directions**5. RRL**

3835 Cross Creek Road
Malibu, CA 90265
310-317-9592

Hours

Mon-Sat 10-6
Sun 12-5

Map & Directions**6. Ralph Lauren Men's Store**

3835 Cross Creek Road, Space C
Malibu, CA 90265
310-456-5375

Hours

Mon-Sat 10-6
Sun 12-5

Map & Directions**7. Ralph Lauren Women's Store**

3835 Cross Creek Road
Malibu, CA 90265
310-317-9592

Hours

Mon-Sat 10-6
Sun 12-5

Map & Directions**8. Ralph Lauren**

The Shops on El Paseo
73080 El Paseo
Suites 3 & 4
Palm Desert, CA 92260
760.340.2023

Hours

Mon-Sat 10-6
Sun 12-5

Map & Directions**9. Ralph Lauren**

650 Stanford Shopping Center
Palo Alto, CA 94304
650-326-1710

Hours

Mon-Fri 10-9
Sat 10-7
Sun 11-6

Map & Directions**10. Rugby**

369 Stanford Shopping Center
Palo Alto, CA 94304
650-566-1053

Hours

Mon-Fri 10-9
Sat 10-7
Sun 11-6

Map & Directions**Pages: 1 2****FIND DEPARTMENT AND SPECIALTY STORES CARRYING RALPH LAUREN IN NORTH AMERICA**

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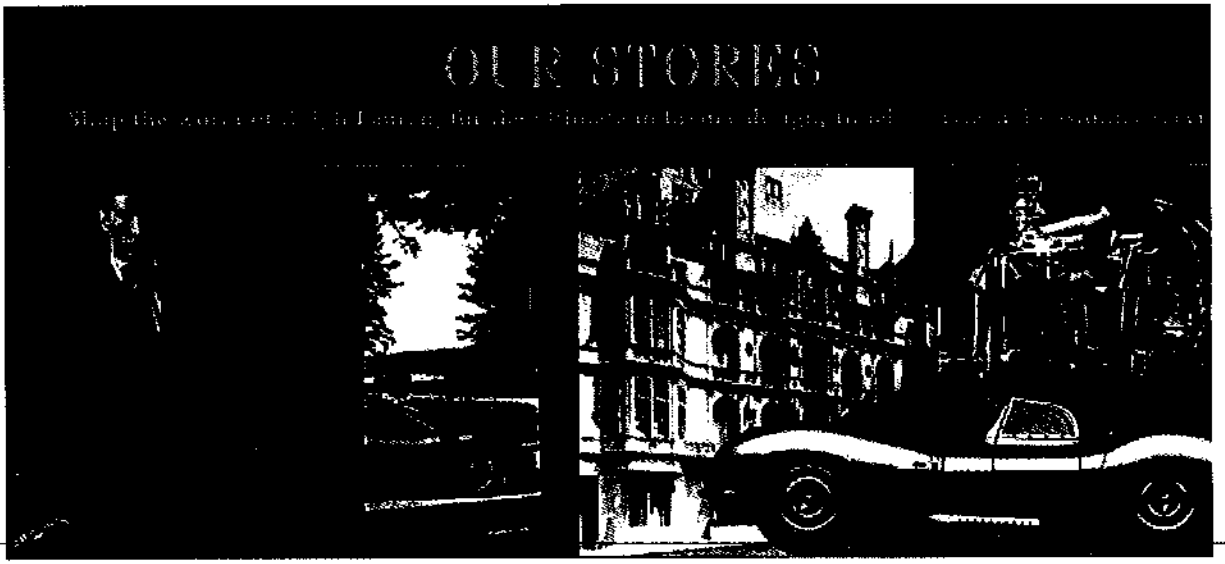
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BY STATE: California

OR ZIP CODE:

SUBMIT

Select Country

Pages: 1 2

Please contact store to confirm holiday hours, directions and product availability.

All Results (28)	Ralph Lauren Stores (13)	Factory Stores (15)
11. Ralph Lauren		
530 Pavilions Lane		
Sacramento, CA 95825		
916-922-7656		
		Map & Directions
12. Ralph Lauren		
Crocker Galleria		
90 Post Street		
San Francisco, CA 94104		
415-788-7656		
		Hours
		Mon-Sat 10-6
		Thu 10-7
		Sun 12-5
		Map & Directions
13. Rugby		
2071 Union Street		
San Francisco, CA 94123		
415-771-8714		
		Hours
		Mon-Sat 11-7
		Sun 11-6
		Map & Directions

14. Polo Ralph Lauren Factory Store

Viejas Outlet Center
5001 Willows Road
Alpine, CA 91901
619-445-9888

Hours

Mon-Sat 10-8
Sun 11-7

Map & Directions**15. Polo Ralph Lauren Factory Store**

Prime Outlets of Anderson
1917 Highway #273
Anderson, CA 96007
530-365-1090

Hours

Mon-Sat 9:30-6
Sun 10:30-6; Apr-Dec:
Mon-Sat 9:30-8
Sun 11-6

Map & Directions**16. Polo Ralph Lauren Factory Store**

Tanger Outlet Center
2796 Tanger Way
Barstow, CA 92311
760-253-5333

Hours

Mon-Sun 9-8

Map & Directions**17. Polo Ralph Lauren Factory Store**

Desert Hills Premium Outlets
48650 Seminole Rd
Suite 800
Cabazon, CA 92230
951-849-0167

Hours

Sun-Thur 10-8
Jan-Nov Fri 10-9
Sat 9-9
thru end of November.
The entire month of
December it is 9am-
9pm

Map & Directions**18. Polo Ralph Lauren Factory Store**

~~Desert Hills Premium Outlets~~
48650 Seminole Rd Suite 178
Cabazon, CA 92230
951-849-8446

Map & Directions**19. Polo Ralph Lauren Factory Store**

Camarillo Premium Outlets
740 East Ventura Blvd.
Suite 908
Camarillo, CA 93010
805-383-2772

Hours

Mon-Sat 10-9
Sun 10-8

Map & Directions**20. Polo Ralph Lauren Factory Store**

Carlsbad Premium Outlets
5620 Paseo del Norte
Suite 100-A
Carlsbad, CA 92008
760-929-2898

Hours

Sun-Sat 10-8

Map & Directions

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\$10 FLAT RATE ON OTHER ORDERS
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MY ACCOUNT SIGN IN

RALPH LAUREN

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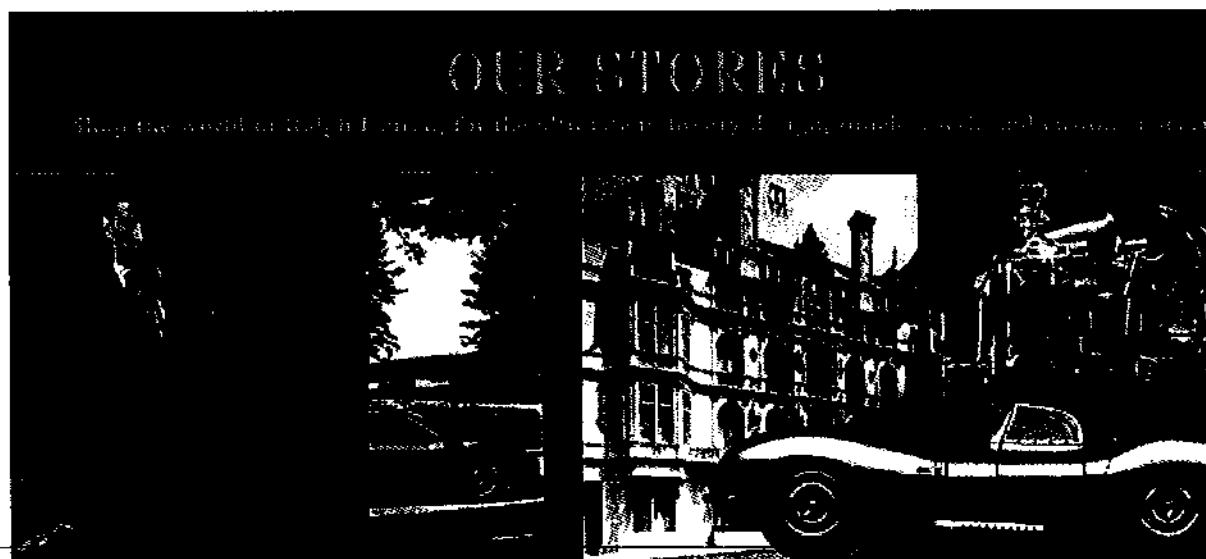
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INTERNATIONAL:

Select Country

Pages: 1 2

Please contact store to confirm holiday hours, directions and product availability.

All Results (28)

Ralph Lauren Stores (13)

Factory Stores (15)

21. Polo Ralph Lauren Factory Store

Gilroy Premium Outlets
8300 Arroyo Circle
Suite B070
Gilroy, CA 95020
408-846-9978

Hours

Mon-Sat 10-9
Sun 10-6

Map & Directions

22. Polo Ralph Lauren Children's Factory Store

Gilroy Premium Outlets
8225 Arroyo Circle
Suite A026
Gilroy, CA 95020
408-842-0369

Map & Directions

23. Polo Ralph Lauren Factory Store

Mammoth Outlets

Hours

Mon- Fri; 10-7 Sunday;

Map & Directions

3343 Main Street
Mammoth Lakes, CA 93546
760-934-7040

10-7 Fri-Sat; 10-8

24. Polo Ralph Lauren Factory Store

Ontario Mills
1 Mills Circle
Ontario, CA 91764
909-980-7190

Hours

Mon-Sat 10-9:30
Sun 10-8

[Map & Directions](#)

25. Polo Ralph Lauren Factory Store

Prime Outlets Pismo Beach
333 Five Cities Drive #101
Pismo Beach, CA 93449
805-773-0779

Hours

Mon-Sat 10-9
Sun 10-7

[Map & Directions](#)

26. Polo Ralph Lauren Factory Store

Las Americas Premium Outlets
4211 Camino de la Plaza
Suite 400
San Diego, CA 92173
619-662-0369

Hours

Mon-Fri 10-9
Sun 10-8

[Map & Directions](#)

27. Polo Ralph Lauren Factory Store

Preferred Outlets at Tulare
1695 Retherford Street
Tulare, CA 93274
559-684-1859

Hours

Mon-Sat 10-9
Sun 10-7

[Map & Directions](#)

28. Polo Ralph Lauren Factory Store

Vacaville Premium Outlets
321 Nut Tree Road
Suite 308
Vacaville, CA 95687
707-447-4200

Hours

Mon-Sat 10-9
Sun 10-6

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EXHIBIT 4.

Golden Gate Reporting

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION
4

5 ANN OTSUKA, an individual; JANIS No. C-07-02780-SI
6 KEEFE, an individual; CORINNE
7 PHIPPS, an individual; and
8 JUSTIN KISER, an individual;
9 individually and on behalf of
10 all others similarly situated,

11 Plaintiffs,
12 vs.

13 POLO RALPH LAUREN CORPORATION;
14 a Delaware Corporation; POLO
15 RETAIL, LLC, a Delaware Corporation;
16 POLO RALPH LAUREN CORPORATION, a
17 Delaware Corporation, doing business
18 in California as POLO RETAIL CORP;

19 FASHIONS OUTLET OF AMERICA, INC., a
20 Delaware Corporation and DOES 1-500,
21 inclusive,

22 Defendants.
23 /

24 DEPOSITION OF KIM LEE BABKA
25

26 DATE: March 7, 2008

27 TIME: 10:03 a.m.

28 LOCATION: Greenberg Traurig
29 1900 University Avenue
30 Fifth Floor
31 East Palo Alto, California

32 REPORTED BY: Mary E. Garland
33 Certified Shorthand Reporter
34 License Number 4721
35

Page 1

<p>1 definitely have the numbers piece in it.</p> <p>2 We would have the schedule on it, who's</p> <p>3 working, what managers are on duty, who's working in</p> <p>4 each department; but it's not -- it really doesn't even</p> <p>5 closely resemble this. It's just some of the similar</p> <p>6 information.</p> <p>7 Q. Is there any document from the full-price</p> <p>8 stores, that you're aware of, that document when an</p> <p>9 associate has actually taken a rest break?</p> <p>10 A. Again, the documents that are in certain stores</p> <p>11 would be within different department managers' binders</p> <p>12 or a format like the sign-up sheet, as I had mentioned</p> <p>13 earlier, but not one that is kept on a daily basis like</p> <p>14 this.</p> <p>15 Q. So if I understand you, you're not aware of a</p> <p>16 document that would detail or memorialize that a sales</p> <p>17 associate has actually taken a rest break at some</p> <p>18 specific time?</p> <p>19 A. Not a standardized format. There are formats</p> <p>20 in certain stores, and I do know that some of the</p> <p>21 managers do keep them; but I can't say that it's kept in</p> <p>22 every single store the same way.</p> <p>23 Q. And do those that you're aware of set out a</p> <p>24 plan for the day, when associates are scheduled to take</p> <p>25 meal or rest breaks?</p> <p style="text-align: right;">Page 110</p>	<p>1 speed on what they needed to be up to speed on.</p> <p>2 Q. Was this assimilation handbook used</p> <p>3 consistently over some period of time for all new hires?</p> <p>4 A. Fairly consistently. I can't say with</p> <p>5 absolute, 100-percent accuracy; but, yes, expected to be</p> <p>6 used.</p> <p>7 Q. And were sales associates expected to sign off</p> <p>8 on the back page of this that they had completed the</p> <p>9 assimilation training guide?</p> <p>10 A. Yes.</p> <p>11 Q. And was it the expectation that these forms</p> <p>12 would be placed within the personnel file of each</p> <p>13 specific employee?</p> <p>14 A. Yes.</p> <p>15 Q. Is this specific assimilation handbook from</p> <p>16 2005 still being used at the retail stores?</p> <p>17 A. Yes. It may have been changed ever so</p> <p>18 slightly. I'd have to look at one to compare.</p> <p>19 Q. But there is an assimilation handbook that's</p> <p>20 still in effect?</p> <p>21 A. Yes.</p> <p>22 Q. We've seen a few versions of the 2002 Polo</p> <p>23 Ralph Lauren retail employee handbook. I'm going to</p> <p>24 show you a couple versions.</p> <p>25 Were you aware that there were some differences</p> <p style="text-align: right;">Page 112</p>
<p>1 A. Again, an associate would sign up for when they</p> <p>2 would like to go. It doesn't always stick, depending on</p> <p>3 appointments that come in, or how long it may take, or</p> <p>4 whatever; but there is -- the objective is to plan out a</p> <p>5 schedule and have -- make sure that breaks are taken.</p> <p>6 We want our employees to take all their breaks,</p> <p>7 so. It's very important.</p> <p>8 Q. I'm going to show you a document that we</p> <p>9 previously marked as Exhibit 11, "Polo Ralph Lauren</p> <p>10 Assimilation Handbook," has a date of 2005. Are you</p> <p>11 familiar with this assimilation handbook?</p> <p>12 A. Yes, I am.</p> <p>13 Q. I'm not sure this is all the pages from the</p> <p>14 assimilation handbook, but it's what we've been using.</p> <p>15 Was this assimilation handbook used at the</p> <p>16 full-price retail stores in California?</p> <p>17 A. Yes.</p> <p>18 Q. And what was its purpose?</p> <p>19 A. To assimilate someone or to on-board an</p> <p>20 associate, and to ensure that they understand, really, a</p> <p>21 lot of the processes within the four walls.</p> <p>22 Q. Is this something that was meant for managers,</p> <p>23 as a guide to assimilating sales associates?</p> <p>24 A. For both, yes. For a manager, as a guide; and</p> <p>25 then also for the team, so that the associate was up to</p> <p style="text-align: right;">Page 111</p>	<p>1 in titling volumes of the handbooks back in the 2002</p> <p>2 time frame?</p> <p>3 A. I knew that there were revisions made. I</p> <p>4 can't speak to all the specifics of why or -- why they</p> <p>5 came out.</p> <p>6 Q. Let me show you what we've previously marked as</p> <p>7 Exhibit -- let's go off the record a moment.</p> <p>8 (Brief recess taken.)</p> <p>9 (Exhibit 70 marked for identification.)</p> <p>10 Q. BY MR. KITCHIN: I've given you what we just</p> <p>11 marked as Exhibit 70, the "Polo Ralph Lauren Retail</p> <p>12 Employee Handbook." This is some selected pages from</p> <p>13 it; it's not the whole handbook.</p> <p>14 During the course this litigation, we've seen</p> <p>15 a couple different versions of the 2002 handbook,</p> <p>16 variously referred to as volume Roman numeral II or</p> <p>17 volume Arabic number 2.</p> <p>18 Do you recall, back in the 2002 time frames,</p> <p>19 whether there was a retail handbook that came out that</p> <p>20 was indicated as volume one?</p> <p>21 A. I don't.</p> <p>22 Q. Do you recall that there were various versions,</p> <p>23 Arabic 2, Roman numeral II?</p> <p>24 A. No.</p> <p>25 Q. Were the retail employee handbooks that have</p> <p style="text-align: right;">Page 113</p>

Golden Gate Reporting

<p>1 been issued by Polo meant to be provided to all sales 2 associates in the retail stores in California?</p> <p>3 A. Yes.</p> <p>4 Q. And were sales associates required to sign an 5 acknowledgment of receipt for each version that was 6 issued by the company?</p> <p>7 A. I don't know about each version.</p> <p>8 Q. On some versions, there was a -- at least, you 9 know there was an acknowledgment form?</p> <p>10 A. I would say, with every handbook, there was an 11 expectation to have an acknowledgment form.</p> <p>12 Q. Again, with the handbooks, the same procedure 13 was meant to be followed; that is, after signature, the 14 form was put into the employees' personnel files?</p> <p>15 A. Yes.</p> <p>16 Q. If you'd turn to page 18 of the exhibit. It's 17 about four pages in, it's Bates number 574. There's a 18 section in the left-hand column, "Meal Periods and 19 Breaks." You see that?</p> <p>20 A. Yes.</p> <p>21 Q. There's a sample break chart at the bottom of 22 the column. Do you see that?</p> <p>23 A. Yes.</p> <p>24 Q. Was this the policy that was expected to be 25 enforced at the retail stores in California in the 2002</p>	<p>1 loss prevention inspection before they left the store?</p> <p>2 A. Well, they were to notify a manager. They may 3 have had a heavy coat or something they would want to 4 check out if they were leaving.</p> <p>5 Q. And whether they had a coat, or a bag, or a 6 box, could any sales associates leave the premises of 7 their store without having a manager do at least a 8 visual check of them as they left?</p> <p>9 A. Rarely. A manager should walk them to the back 10 door, or to the door, the exit.</p> <p>11 Q. In Exhibit 70, Bates page number 578 -- it's 12 page 22 of the manual. In the previous page, 577, 13 there's a section that says "Employee Conduct and 14 Responsibilities." Do you see that?</p> <p>15 A. Yes.</p> <p>16 Q. And then before the numbered paragraphs, it 17 says, "Certain types of unacceptable behavior warrant 18 specific mention." On page 578, at number 23, it 19 indicates, "Divulging personal salary arrangements to 20 other Polo Retail Corporation associates."</p> <p>21 In the 2002 time frame, was there a general 22 prohibition that prohibited sales associates to tell one 23 another exactly what their salary arrangements were with 24 the company?</p> <p>25 A. Prohibited, you know, I don't know. I don't</p>
Page 114	Page 116
<p>1 time frame?</p> <p>2 A. I believe so.</p> <p>3 Q. Were the policies, and procedures, and 4 guidelines set out in the retail employee handbook meant 5 to be applied consistently across the retail stores in 6 California?</p> <p>7 A. To my knowledge, yes.</p> <p>8 Q. If you turn to the second to last page, which 9 is Bates number 581, in the right-hand column, there's a 10 section entitled "General Security"?</p> <p>11 A. Yes.</p> <p>12 Q. The third bullet point says, "Bag checks must 13 be performed anytime an employee leaves the store." It 14 goes on to say, "It is each individual's responsibility 15 to notify a manager when leaving the store with a bag, 16 box, or any other item used to carry merchandise."</p> <p>17 Do you see that?</p> <p>18 A. Yes.</p> <p>19 Q. Was that a policy that was meant to be applied 20 to all of the retail stores in California?</p> <p>21 A. The retail stores that I'm aware of.</p> <p>22 Q. And if an employee, back in the 2002 time 23 frame, was leaving the store at the end of their shift 24 and didn't have a bag, or a box, or other item used to 25 carry merchandise, did they still need to go through a</p>	<p>1 ever remember having discussions around anyone 2 disclosing salary.</p> <p>3 Q. Let me show you what we previously marked as 4 Exhibit 6. It's also "Retail Employee Handbook 2002 - 5 Volume II." On page 474, Bates 474, we have "Rules of 6 Conduct," and then it continues on 475.</p> <p>7 In this list, the reference to not disclosing 8 salary arrangements has been taken out; or on the other 9 one, had been added in. Do you have any idea why there 10 were two different sets of prohibitions in these two 11 manuals from 2002?</p> <p>12 A. No. I don't even see the difference in the 13 front that would indicate that they're a different 14 handbook. It's quite odd. No, I --</p> <p>15 Q. You don't know. Okay. I'll take back the 16 Exhibit 6. And we'll keep that as that original. You 17 can close that one up, if you'd like.</p> <p>18 I'm just going to briefly show you Exhibit 5, 19 which is "Retail Employee Handbook 2002 - Volume 2."</p> <p>20 A. Mm-hm.</p> <p>21 Q. Any idea why we have these different versions, 22 including volume Arabic 2, from 2002?</p> <p>23 A. I don't know.</p> <p>24 Q. I'm going to show what you we have previously 25 marked as Exhibit 24. It's the "Polo Ralph Lauren</p>
Page 115	Page 117

30 (Pages 114 to 117)

1 Retail Employee Handbook - April 2007."

2 Are you familiar with the retail employee
3 handbook from April 2007?

4 A. Yes.

5 Q. This is some pages from it, not the complete
6 manual. Did you have any meetings or discussions with
7 anyone, other than perhaps counsel, regarding the
8 rollout of the 2007 employee handbook?

9 A. Yes.

10 Q. And approximately when were those discussions?

11 A. Well, shortly before it was -- before it was
12 rolled out to the stores.

13 Q. So sometime in early 2007 or late 2006?

14 A. Well, I think it was roughly a year ago.

15 Q. Did you attend any meetings in New York or New
16 Jersey in which the rollout of the 2007 handbook was
17 discussed?

18 A. No. In fact, HR took on most of it; so I was
19 not involved.

20 Q. How did you learn that a new manual was coming
21 out?

22 A. Through HR.

23 Q. And were the California stores provided hard
24 copies of the manual to distribute to sales associates?

25 A. Yes.

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1 think they actually make anyone take them, but they
2 certainly -- I mean, we're certainly a company that
3 supports taking all breaks. So it's widely discussed
4 and expected.

5 Q. Prior to the rollout of the 2007 handbook, had
6 you heard from any source that any sales associates
7 were, for any reason, not taking all of their rest
8 breaks?

9 A. I don't recall hearing that people weren't
10 taking their rest breaks.

11 Q. Did you ever talk with any of the managers at
12 any of the stores about whether they were having any
13 problems making sure that all sales associates were
14 taking the appropriate rest breaks?

15 A. Well, again, I would say -- I can't say that I
16 heard of problems; but it's widely discussed, whether
17 it's on general managers' call on, you know, every
18 Tuesday or every other Tuesday. It's certainly an
19 expectation, but forcing them to take them is not
20 something I know is done. Encouraging them to take
21 them, absolutely.

22 Q. Have you ever heard anyone say that a sales
23 associate was not taking their breaks because they felt
24 pressured to sell enough merchandise to cover their
25 sales targets or rules?

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1 Q. And to your knowledge, was it the expectation
2 that all sales associates employed in all of the retail,
3 full-price stores in California were to receive a copy
4 of the 2007 handbook?

5 A. Yes.

6 Q. And was it the expectation that each of those
7 sales associates would sign an acknowledgment of
8 receiving and understanding the policies?

9 A. Yes.

10 Q. And was the same procedure expected, that
11 copies of the acknowledgment would be put into the
12 employees' files?

13 A. Yes.

14 Q. On page 1524, do you see the section on the
15 right-hand column, "Meal Periods and Breaks"?

16 A. Yes.

17 Q. The first paragraph of that section, second
18 sentence reads, "It is the manager's responsibility to
19 ensure that the appropriate breaks are taken."

20 How do managers at Polo, at this time, make
21 sure that their sales associates are taking all of the
22 rest breaks that they're required to give those
23 associates?

24 A. Discussing it with them, encouraging them, and
25 trying their best to schedule them. You know, I don't

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1 A. No, I've never heard of that. The only time
2 I've ever heard of someone having a difficulty getting a
3 break in or going later is that they had a customer that
4 they chose not to leave.

5 Q. To your knowledge, has Polo Ralph Lauren ever
6 paid a sales associate an extra hour of pay for missing
7 a rest break?

8 A. I'm not clear on --

9 Q. Yes. Just whether you've ever heard that Polo
10 has paid a sales associate an extra hour because that
11 sales associate didn't take a rest break?

12 A. I don't know.

13 Q. You've never heard that stated, that someone
14 has been paid an extra hour for missing a rest break?

15 A. I don't recall hearing that.

16 Q. Did you ever hear that a sales associate
17 complained about missing rest breaks because there
18 wasn't sufficient floor coverage within their department
19 to permit them to take a rest break?

20 A. No. I've heard of situations where a manager
21 has gone to cover so that they can take a rest break.

22 Q. Would you take a look at page 1525. The
23 left-hand column has "Sample Break Chart." At the very
24 bottom of that column, there's an asterisk, and then it
25 states, "Employees in CA who work more than two hours

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31 (Pages 118 to 121)

1 CERTIFICATION OF DEPOSITION OFFICER
2

3 I, MARY E. GARLAND, duly authorized to administer
4 oaths pursuant to Section 2093(b) of the California Code
5 of Civil Procedure, do hereby certify that the witness
6 in the foregoing deposition was duly sworn by me to
7 testify to the truth, the whole truth and nothing but
8 the truth in the within-entitled cause; that said
9 deposition was taken at the time and place therein
10 stated; that the testimony of said witness was
11 thereafter transcribed by means of computer-aided
12 transcription under my direction; that the foregoing is

13 a full, complete and true record of said testimony; and
14 that the witness was given an opportunity to read and
15 correct said deposition and to subscribe to the same.

16 I further certify that I am not of counsel or
17 attorney for either or any of the parties in the
18 foregoing deposition and caption named, nor in any way
19 interested in the outcome of the cause named in said
20 caption.

21 Executed March 19, 2008, at San Francisco,
22 California.

23 
24 MARY E. GARLAND, CSR 4721
25

EXHIBIT 5.

Golden Gate Reporting

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION

4 -----X
5 ANN OTSUKA, an Individual; JANIS
6 KEEFE, an individual, CORINNE PHIPPS,
7 an individual, and JUSTIN KISER,
8 an individual, individually and
9 on behalf of all others similarly
10 situated,

11 Plaintiffs.

12 v.

No. C-07-02780-SI

13 POLO RALPH LAUREN CORPORATION,
14 a Delaware Corporation, POLO
15 RETAIL, LLC, a Delaware Corporation,
16 POLO RALPH LAUREN CORPORATION, a
17 Delaware Corporation doing business
18 in California as POLO RETAIL CORP.,
19 FASHIONS OUTLET OF AMERICA, INC., a
20 Delaware Corporation, and DOES 500,
21 inclusive,

22 Defendants.

23 -----X

24 December 6, 2007
25 New York, New York
Time: 10:26 a.m.
Volume 1, Pages 130

Deposition of SHARONDA WEATHERSPOON, taken on behalf
of the Plaintiffs, at Greenberg Traurig, Met Life Building,
200 Park Avenue, New York, New York, commencing at 10:26
a.m., December 6, 2007, before Anthony Armstrong, a Notary
Public and Certified Shorthand Reporter of the State of New
York.

Page 1

Golden Gate Reporting

<p>1 A. A process like the one I described or very 2 similar. 3 Q. Are all sales associates who are hired given a 4 copy of an employment handbook? 5 A. Yes. 6 Q. And are those individuals required to sign a 7 form acknowledging their receipt and understanding of 8 the policies? 9 A. Yes. 10 Q. Is it a single handbook that is used at the 11 current time? 12 A. Yes. 13 Q. I'm going to show you a document that was 14 marked as Exhibit 2 in this litigation. It's Polo 15 Ralph Lauren Corporation sales associate compensation. 16 This is one from April of 2002. I will show you that. 17 Are you familiar with this or similarly named 18 handbooks? 19 A. I am not familiar with this. 20 Q. This specific handbook is not, to your 21 knowledge, used at this time in any of the factory 22 outlet stores? 23 A. No. 24 Q. At this time, what are the names of the videos 25 that are shown to new sales associates at the factory</p>	<p>1 do, but I cannot say for certainty. 2 Q. Are there written materials other than the 3 handbook that currently are typically provided to new 4 hires? 5 A. Yes. There is also a loss prevention 6 orientation that is provided to new hire employees. 7 Q. Is that a handbook? 8 A. It's not a handbook. It's a few pages of a 9 document. 10 Q. Do you know how long that document has been 11 used in California's factory outlet stores? 12 A. I'm not sure of the exact timeframe, but it's 13 definitely been a few years. 14 Q. And what does that loss prevention orientation 15 document cover? 16 A. It's a supplement to the video. It 17 specifically talks about bag checks, talks about locker 18 usage, internal/external -- internal theft, external 19 theft, paperwork errors, and how shrink is caused in 20 our stores. 21 MR. KITCHIN: Mr. Goines, do you know if 22 we have been provided a copy of that document? 23 MR. GOINES: I have no idea. 24 BY MR. KITCHIN: 25 Q. I'm going to show you a document that was</p>
Page 42	Page 44
<p>1 outlet stores in California? 2 A. There is the safety video, there is the 3 Crossroads video, and there is a make a difference 4 video. 5 Q. Do you know of any other videos that have been 6 used in the orientation process for a factory outlet 7 sales associate? 8 A. There is also a philosophy video. 9 Q. That's currently used? 10 A. Yes. 11 Q. And do you know how long those specific videos 12 have been used for the orientation process? 13 A. The philosophy video is fairly new, within the 14 last few years. The Crossroads video and make a 15 difference video have been used for quite sometime, and 16 the safety video has been used for quite sometime. 17 Q. Do any of the videos deal specifically with 18 loss prevention issues? 19 A. Yes. The make a difference and the Crossroads 20 videos are specific loss prevention videos. 21 Q. Do they address or talk about loss prevention 22 inspections or bag checks of employees? 23 A. I have not seen either of the videos in a few 24 years, so I cannot recall -- I can't recall if they do 25 specifically speak about bag checks. I think that they</p>	<p>1 previously marked as Exhibit 4, and it's a selected 2 number of pages from Polo Ralph Lauren retail employee 3 handbook dated 2002. The cover page is Polo 752. 4 We're going to look, Ms. Weatherspoon, at 5 several of the versions of the retail employee handbook. 6 When we get to the one that you recognize as the one that 7 you reviewed, would you let me know, please? 8 Have you ever seen the 2002 retail employee 9 handbook? 10 A. Yes. 11 Q. And was this handbook used in the factory 12 outlet stores in California? 13 A. Yes. 14 Q. And would you please turn to page 18. I think 15 you are on it now. It's Bates 770. There is a sample 16 break chart listed. Are you familiar with this 17 specific chart? 18 A. Yes. 19 Q. And in the factory outlet stores in 20 California, what specific breaks are provided to sales 21 associates who are working a full eight-hour shift? 22 A. If they are working a full-eight hour shift, 23 they would be given a 16-minute meal period and two 24 15-minute breaks. 25 Q. And are managers -- were managers who worked</p>
Page 43	Page 45

12 (Pages 42 to 45)

<p>1 generated that I can say that I have viewed, nor have I</p> <p>2 ever had any information that said that the information</p> <p>3 was pulled. And the one specific situation, I know</p> <p>4 that in the one situation where I was a general manager</p> <p>5 and I reviewed information that was similar, it was for</p> <p>6 one specific situation where the information had to</p> <p>7 actually be generated. So I can't say that I do know</p> <p>8 that this information is being pulled for California or</p> <p>9 not.</p> <p>10 Q. Okay. Let me show you what was previously</p> <p>11 marked as Exhibit 20. It's entitled "Time Clock</p> <p>12 Correction Form."</p> <p>13 It has a Bates number of 996 -- Polo 996.</p> <p>14 Have you ever seen this form before today?</p> <p>15 A. I haven't.</p> <p>16 Q. Do you know if there is a form -- a similar</p> <p>17 form used or that was ever used for the factory outlet</p> <p>18 stores in California?</p> <p>19 A. I can't say.</p> <p>20 Q. Let me show you what we previously marked as</p> <p>21 Exhibit 21. This, again, is limited to several</p> <p>22 employees who are plaintiffs in this case. It is</p> <p>23 entitled "Payroll Hours by Employee Report." Has a</p> <p>24 from and to date.</p> <p>25 To your knowledge, are similar reports prepared</p> <p style="text-align: right;">Page 82</p>	<p>1 Q. And are factory outlet sales associates</p> <p>2 required to follow the procedures and policies set out</p> <p>3 in this handbook?</p> <p>4 A. Yes, unless there have been revisions.</p> <p>5 Q. Have there been revisions, to your knowledge?</p> <p>6 A. Yes, to certain policies.</p> <p>7 Q. Subsequent to this handbook coming out or</p> <p>8 about April of 2007?</p> <p>9 A. Yes.</p> <p>10 Q. What specific adjustments or modifications of</p> <p>11 policies have been made since then?</p> <p>12 A. There has been one, to the dress code.</p> <p>13 Q. Any others?</p> <p>14 A. To the discount policy.</p> <p>15 Q. Okay. Any others?</p> <p>16 A. And holiday pay.</p> <p>17 Q. Any others that you can think of right now?</p> <p>18 A. And the special purchase program. Those are</p> <p>19 the only ones that I can think of.</p> <p>20 Q. To your knowledge, have all sales associates</p> <p>21 hired in or after April 2007 provided a copy of this</p> <p>22 handbook?</p> <p>23 A. To my knowledge, yes.</p> <p>24 Q. And to your knowledge, has all employees hired</p> <p>25 since April of 2007 required to sign an acknowledgment</p> <p style="text-align: right;">Page 84</p>
<p>1 and/or available for factory outlet employees in</p> <p>2 California?</p> <p>3 A. Yes.</p> <p>4 Q. And is it the same titled report other than</p> <p>5 the dates, to and from, "Payroll Hours by Employee</p> <p>6 Report"?</p> <p>7 A. I'm not certain.</p> <p>8 Q. Is it data that you have access to?</p> <p>9 A. No. I don't personally --</p> <p>10 Q. Who maintains this data, if you know? Not</p> <p>11 this specific data but data on factory outlet</p> <p>12 employees.</p> <p>13 A. This information can be pulled up at the store</p> <p>14 level, but I'm assuming that the payroll department</p> <p>15 would have this specific information.</p> <p>16 Q. I'm going to show you what was previously</p> <p>17 marked as Exhibit 24. It is not the complete document.</p> <p>18 It's some pages pulled and stapled from that document.</p> <p>19 It's entitled "Polo Ralph Lauren Retail Employee</p> <p>20 Handbook, April 2007." The cover page is Bates 1502.</p> <p>21 Are you familiar with this specific handbook?</p> <p>22 A. Yes.</p> <p>23 Q. Is this the handbook that is currently used in</p> <p>24 the factory outlet stores in California?</p> <p>25 A. Yes.</p> <p style="text-align: right;">Page 83</p>	<p>1 of receiving and reading and understanding this</p> <p>2 handbook?</p> <p>3 A. To my knowledge.</p> <p>4 Q. Have employees who were hired prior to</p> <p>5 April of 2007 provided a copy of this handbook?</p> <p>6 A. Can you repeat that?</p> <p>7 Q. I'm wondering if this specific handbook was</p> <p>8 provided to employees who were already employed back in</p> <p>9 April of 2007, not just new hires.</p> <p>10 A. Yes.</p> <p>11 Q. And were those current employees in</p> <p>12 April of 2007 required to sign their acknowledgment</p> <p>13 understanding of this -- of the policies set out in</p> <p>14 this handbook?</p> <p>15 A. Yes.</p> <p>16 Q. Would you take a look, please, at page --</p> <p>17 Bates stamp No. 1524. The bottom right-hand corner of</p> <p>18 document there is a section called meal periods and</p> <p>19 breaks.</p> <p>20 Do you see that?</p> <p>21 A. Yes.</p> <p>22 Q. There is a statement in there in the first</p> <p>23 paragraph that says, quote, It is the manager's</p> <p>24 responsibility to ensure that the appropriate breaks</p> <p>25 are taken, closed quote.</p> <p style="text-align: right;">Page 85</p>

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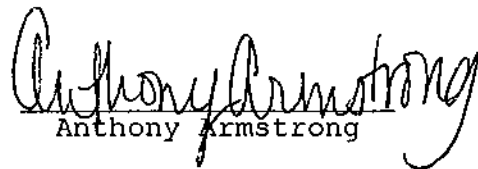
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C E R T I F I C A T E

I, Anthony Armstrong, a Certified
Shorthand Reporter and Notary Public within
and for the State of New York, do hereby
certify:

That SHARONDA WEATHERSPOON, the witness
whose testimony is hereinbefore set forth, was
duly sworn by me and that such testimony is a
true record of the testimony given by such
witness.

I further certify that I am not related
to any of the parties by blood or marriage,
and that I am in no way interested in the
outcome of this matter.


Anthony Armstrong

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EXHIBIT 6.

Golden Gate Reporting

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION
4

5 ANN OTSUKA, an individual;
6 JANIS KEEFE, an individual;
7 CORINNE PHIPPS, an individual;
8 and JUSTIN KISER, an individual;
9 individually and on behalf of
10 all others similarly situated,

11 Plaintiffs,

Case No. c-07-02780-SI

12 and

13 POLO RALPH LAUREN CORPORATION,
14 a Delaware corporation; POLO
15 RETAIL, LLC, a Delaware corporation;
16 POLO RALPH LAUREN CORPORATION, a
17 Delaware corporation, doing

18 business in California as POLO
19 RETAIL CORP; FASHIONS OUTLET OF
20 AMERICA, INC., a Delaware
21 corporation; and DOES 1-500,
22 inclusive,

23 Defendants.
24 _____/

25 DEPOSITION OF THERESA CRUZ

DATE: August 20, 2007

TIME: 10:00 a.m.

LOCATION: LAW OFFICE OF PATRICK R. KITCHIN
565 Commercial Street
Fourth Floor
San Francisco, California 94111

REPORTED BY: Katy Leonard
Certified Shorthand Reporter
License Number 11599

Page 1

Golden Gate Reporting

<p>1 Q. With Justin Kiser, did you tell him that</p> <p>2 when he came back from lunch, if he rang the doorbell</p> <p>3 twice at the employee exit and no one came -- that he</p> <p>4 was to go to the home collections entrance and come in</p> <p>5 that way?</p> <p>6 A. Yes.</p> <p>7 Q. Do you know who did Janis Keefe's</p> <p>8 walk-through?</p> <p>9 A. I believe it's Tin Hua.</p> <p>10 Q. When a new employee comes aboard to the San</p> <p>11 Francisco Polo store, do you have any involvement in</p> <p>12 helping them get set up to watch videotapes relating to</p> <p>13 the business of Ralph Lauren?</p> <p>14 A. Yes.</p> <p>15 Q. And what videotapes are shown to new sales</p> <p>16 associates?</p> <p>17 A. The introduction to Ralph Lauren company.</p> <p>18 The videos for women's department.</p> <p>19 Q. Does everyone see those regardless of their</p> <p>20 department?</p> <p>21 A. Oh, yes. And then home collection</p> <p>22 department.</p> <p>23 Q. These are separate videos that you're</p> <p>24 talking about?</p> <p>25 A. Separate video.</p>	<p>1 Q. Okay. All right. Are there any other</p> <p>2 videotapes?</p> <p>3 A. There is another videotape for loss</p> <p>4 prevention, but I forgot the title of the tape.</p> <p>5 Q. Has there been a loss-prevention video since</p> <p>6 at least 2004 that is shown to new sales associates?</p> <p>7 A. I'm still using the old ones.</p> <p>8 Q. Okay. Any idea how long you've been using</p> <p>9 the old loss-prevention videotape?</p> <p>10 A. Approximately about four years.</p> <p>11 Q. Does the loss-prevention videotape address</p> <p>12 loss-prevention inspections of sales associates?</p> <p>13 A. No.</p> <p>14 Q. Is it -- what is it focused on?</p> <p>15 A. It's more of the people -- like, other</p> <p>16 people stealing in the store. The other one is about</p> <p>17 sharing or giving a discount to other friends.</p> <p>18 Q. And that's included in the loss-prevention</p> <p>19 video?</p> <p>20 A. Yes.</p> <p>21 Q. Any other videos you can recall showing to</p> <p>22 new employees?</p> <p>23 A. I have a Visa card and Mastercard. How to</p> <p>24 process credit card sales.</p> <p>25 Q. And you show that to them as well?</p>
Page 58	Page 60
<p>1 Q. Okay.</p> <p>2 A. And then at the time, we have the sportswear</p> <p>3 also.</p> <p>4 Q. You had at that time?</p> <p>5 A. Polo Sport.</p> <p>6 Q. What time are you referring to?</p> <p>7 A. I'm sorry. 2004, 2005.</p> <p>8 Q. Okay. You don't use that sports --</p> <p>9 A. We do.</p> <p>10 Q. You still use that?</p> <p>11 A. We still use that, but there's different --</p> <p>12 like, there's for RLX and there's for regular</p> <p>13 sportswear.</p> <p>14 Q. Okay. So, intro to Ralph Lauren, women's</p> <p>15 department, home collections department, sports</p> <p>16 department.</p> <p>17 Anything else?</p> <p>18 A. Yes. Ralph Lauren Made to Measure.</p> <p>19 Q. Any other videotapes?</p> <p>20 A. Safety with regards to --</p> <p>21 Q. Does that safety videotape include</p> <p>22 information about loss prevention?</p> <p>23 A. Um, yes.</p> <p>24 Q. Okay.</p> <p>25 A. No. Let me recall that. No. I'm sorry.</p>	<p>1 A. Yes.</p> <p>2 Q. Are new sales associates provided a Ralph</p> <p>3 Lauren handbook -- employee handbook?</p> <p>4 A. Yes.</p> <p>5 Q. Are they provided the manual dealing with</p> <p>6 sales associate compensation?</p> <p>7 A. Um, yes.</p> <p>8 Q. Are they provided any other documents that</p> <p>9 contain Polo Ralph Lauren's statements of policies for</p> <p>10 employees?</p> <p>11 A. No.</p> <p>12 Q. In the new-hire process, focusing now on the</p> <p>13 2004, 2005 time frame, were employees provided any kind</p> <p>14 of additional handouts on employee compensation?</p> <p>15 A. I wouldn't know that, because I don't work</p> <p>16 with the compensation.</p> <p>17 Q. All right. Do you personally provide the</p> <p>18 sales associates with -- newly hired sales associates</p> <p>19 with the employee handbook?</p> <p>20 A. Yes.</p> <p>21 Q. And for each sales associate, do you have</p> <p>22 them, at some point, sign an acknowledgement that they</p> <p>23 have received and understood the policies?</p> <p>24 A. Yes. After they read it.</p> <p>25 Q. And that's your job to do that?</p>
Page 59	Page 61

16 (Pages 58 to 61)

Golden Gate Reporting

<p>1 between 2002 and the present, do you recall any</p> <p>2 discussions relating to the timeliness of Polo's process</p> <p>3 of providing medical insurance to sales associates?</p> <p>4 A. Can you repeat your question, please?</p> <p>5 Q. Again, focusing on the management meetings</p> <p>6 from 2002 to the present, my question is whether you can</p> <p>7 recall any discussions at any of those meetings about</p> <p>8 the timeliness of Polo providing medical insurance to</p> <p>9 its sales associates?</p> <p>10 A. No.</p> <p>11 Q. With respect to these management meetings</p> <p>12 between 2002 and the present time, do you recall any</p> <p>13 discussions about missed meal or rest breaks by sales</p> <p>14 associates?</p> <p>15 A. No.</p> <p>16 Q. Do you recall any discussions at these</p> <p>17 meetings -- management meetings between 2002 and the</p> <p>18 present relating to staffing of the sales floor so that</p> <p>19 employees -- sales associate employees could take meal</p> <p>20 and/or rest breaks?</p> <p>21 A. Repeat your question, please.</p> <p>22 Q. Yeah. Again, focusing on these meetings,</p> <p>23 2002 forward --</p> <p>24 A. Mm-hm.</p> <p>25 Q. -- I'm asking if there was any discussion</p>	<p>1 them sign the acknowledgement?</p> <p>2 A. It was handed out by Catherine Post during</p> <p>3 the Saturday meeting.</p> <p>4 Q. Okay. That's the new manual; correct?</p> <p>5 A. Yes.</p> <p>6 Q. Okay. There were other changes in the</p> <p>7 manuals over the years that we'll look at where the</p> <p>8 manual shows a new revision date -- a 2002 date, a 2004</p> <p>9 date. So, I'm focusing on those as well, and I want to</p> <p>10 know if new copies or new versions of employment manuals</p> <p>11 were provided to associates as those new policy manuals</p> <p>12 were put out.</p> <p>13 A. Yes.</p> <p>14 Q. And was it part of your function to make</p> <p>15 sure that employees received those new manuals?</p> <p>16 A. Yes.</p> <p>17 Q. And when you provided those new manuals to</p> <p>18 the employees, did you have them sign an acknowledgement</p> <p>19 that they had received and understood the policy manual?</p> <p>20 A. Yes.</p> <p>21 Q. And was that something you did, as far as</p> <p>22 you can remember, without fail?</p> <p>23 A. Um, as far as I know, when I was doing the</p> <p>24 new-hire paperwork with them.</p> <p>25 Q. What about if -- when a new manual came out?</p>
Page 98	Page 100
<p>1 relating to the scheduling of sales associates in</p> <p>2 specific departments so that employees would have the</p> <p>3 opportunity to take rest or meal breaks.</p> <p>4 A. No.</p> <p>5 Q. How would you typically learn of any changes</p> <p>6 to the employment policies at Polo?</p> <p>7 A. Through my GM.</p> <p>8 Q. Would your GM provide you with written</p> <p>9 materials describing upcoming employment policy changes?</p> <p>10 A. She will.</p> <p>11 Q. We may see some of those as we go through</p> <p>12 the afternoon. I will show you those.</p> <p>13 When a new sales associate handbook was put</p> <p>14 out by Polo, were those new sales associate handbooks</p> <p>15 provided to all sales associates in the store?</p> <p>16 A. All the employees.</p> <p>17 Q. All the employees, including sales</p> <p>18 associates?</p> <p>19 A. Including sales associates. And backup --</p> <p>20 Q. And when those new manuals were rolled out,</p> <p>21 did the employees sign an acknowledgement that they had</p> <p>22 received and understood the policies?</p> <p>23 A. Yes.</p> <p>24 Q. And was it your -- was that one of your</p> <p>25 duties to hand those out to sales associates and have</p>	<p>1 You provided that to new sales associates;</p> <p>2 correct?</p> <p>3 A. Yes.</p> <p>4 Q. You didn't give them the old manual; you</p> <p>5 gave them the new one that was in place at that time of</p> <p>6 hiring; correct?</p> <p>7 A. Yes.</p> <p>8 Q. What about the other sales associates who</p> <p>9 were currently employed when new employment -- or,</p> <p>10 manuals or handbooks came out?</p> <p>11 Were they also provided a copy of the new</p> <p>12 handbook?</p> <p>13 A. Yes.</p> <p>14 Q. And did you provide that copy to them?</p> <p>15 A. No. It was provided by Catherine Post.</p> <p>16 Q. Okay. But Catherine Post wasn't there in</p> <p>17 2004; right?</p> <p>18 A. You told me if there's any --</p> <p>19 Q. Yeah.</p> <p>20 A. -- changes.</p> <p>21 Q. Let me see if I can clarify.</p> <p>22 In about April of 2007 --</p> <p>23 A. Yes.</p> <p>24 Q. -- a new employment handbook was issued by</p> <p>25 Polo; correct?</p>
Page 99	Page 101

26 (Pages 98 to 101)

1 CERTIFICATION OF DEPOSITION OFFICER

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13 and true record of said testimony; and that the witness

14 was given an opportunity to read and correct said

15 deposition and to subscribe the same.

16

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24

25

I further certify that I am not of counsel
or attorney for either or any of the parties in the
foregoing deposition and caption named, or in any way
interested in the outcome of this cause named in said
caption.



KATY LEONARD, CSR 11599

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EXHIBIT 7.

Golden Gate Reporting

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION
4
5 ANN OTSUKA, an individual;)
6 et al.,)
7 Plaintiffs,)
8 vs.) No. C-07-02780-SI.
9 POLO RALPH LAUREN)
10 CORPORATION, a Delaware)
11 Corporation; et al.,)
12 Defendants.)
13 _____)

12 DEPOSITION OF: TIN HUA
13 TAKEN ON: Friday, March 21, 2008
14
15
16
17
18
19

20 REPORTED BY:
21
22
23

24 PATRICIA L. HUBBARD
25 CSR #3400, CRP #10, RPR #7847

Page 1

Golden Gate Reporting

<p>1 A. I'm still not exactly understanding your 2 question. 3 Q. That's all right. It's a poor question. 4 Thank you for asking me to rephrase. 5 I'm just wondering if this provision's 6 always been in employee handbooks at least during the 7 course of your tenure with Polo. 8 A. That has been the practice that I'm 9 familiar with, yes. 10 Q. And it's also been a provision in the 11 employee handbooks, to your knowledge? 12 A. I don't recall what is in the handbook 13 at that time, but I know that it was the practice. 14 Q. So the practice in effect at all the 15 Polo Ralph Lauren stores that you listed for us 16 earlier was that employees were required to submit to 17 inspections of the contents of any personal 18 belongings on company property; is that correct? 19 A. That's correct. 20 Q. When you served as GM would you hand out 21 employee handbooks to new employees? 22 A. Absolutely. 23 Q. All right. 24 A. I would not only give the handbook to 25 the individual, but I would sit down and read through</p>	<p>1 communicated by GM's to all employees? 2 A. As far as I know, the day that I was 3 hired. 4 Q. Is it your understanding that these 5 policies were applied in all stores, not just the 6 ones you worked in? 7 MR. GOINES: Objection. Overbroad. 8 THE WITNESS: Can you rephrase that question. 9 BY MR. GRIGG: 10 Q. Sure. Is it your understanding that the 11 policy that all GM's had to educate all employees to 12 employee handbook policies and procedures was in 13 effect at all Polo stores, Polo Ralph Lauren stores? 14 A. I don't have the answer for all the 15 stores, but I know that it's the policy that I 16 upheld. 17 Q. Have you heard anything to the effect 18 that it was required at other stores? 19 A. I have not. 20 Q. Have you had any training by Polo Ralph 21 Lauren or by anyone else that suggested to you 22 that -- strike that. I'll withdraw that. 23 Did you ever hear any complaints about 24 the loss prevention practices in effect at any Polo 25 Ralph Lauren stores?</p>
Page 30	Page 32
<p>1 it and review it with them. 2 Q. And did you do that with all new hires? 3 A. Yes. 4 Q. And did you do that with other employees 5 when new handbooks came out, as well? 6 A. Yes. 7 Q. And did you do that with all other 8 employees at the stores where you served as a GM? 9 A. The company has a very great practice in 10 terms of communication. Anytime there's a new policy 11 procedure, it is required for all the managers -- all 12 the general managers of the store to host an 13 all-store meeting, and then we facilitate what is in 14 the content of the -- the newness in the policy. 15 And then we were then required to follow 16 back up and have individual one-on-one meetings after 17 the general meeting to make sure that -- if there's 18 any individual concerns or questions at that time, as 19 well. 20 Q. What about employees who missed the 21 all-store meetings? 22 A. That's when we circle back on the 23 one-on-one. 24 Q. So how long was this policy in effect 25 for Polo Ralph Lauren, that all new policies were</p>	<p>1 A. I don't recall. 2 Q. Did Rosalinda Wallwork ever have a 3 conversation with you about concerns raised about 4 loss prevention practices? 5 A. I don't recall. 6 Q. Did any employee ever say to you, "Hey, 7 I've been waiting at the back door" or any door "in 8 order to get out for a loss prevention practice" -- 9 "loss prevention search"? 10 A. Not that I can recall. 11 Q. Well, let's talk about your time as 12 first the GM at the Palo Alto store. Let's just go 13 through an average day. 14 What time would people -- would the 15 first people get to the store in the morning in 16 Palo Alto during the time that you were GM? 17 A. It all depends. When you say "people," 18 who is that? 19 Q. Anyone. 20 MR. GOINES: Are you talking about employees? 21 Are you talking about customers? Are you talking 22 about -- 23 BY MR. GRIGG: 24 Q. Anyone. 25 A. So the first employee --</p>
Page 31	Page 33

9 (Pages 30 to 33)

1 REPORTER'S CERTIFICATE

2

3 I, PATRICIA L. HUBBARD, do hereby
4 certify:

5

6 That I am a duly qualified Certified
7 Shorthand Reporter in and for the State of
8 California, holder of Certificate Number 3400, which
9 is in full force and effect, and that I am authorized
10 to administer oaths and affirmations;

11

12 That the foregoing deposition testimony
13 ~~of the herein named witness, to wit, TIN HUA, was~~
14 taken before me at the time and place herein set
15 forth;

16

17 That prior to being examined, TIN HUA
18 was duly sworn or affirmed by me to testify the
19 truth, the whole truth, and nothing but the truth;

20

21 That the testimony of the witness and
22 all objections made at the time of examination were
23 recorded stenographically by me and were thereafter
24 transcribed by me or under my direction and
25 supervision;

Page 180

1 That the foregoing pages contain a full,
2 true and accurate record of the proceedings and
3 testimony to the best of my skill and ability;
4

5 I further certify that I am not a
6 relative or employee or attorney or counsel of any of
7 the parties, nor am I a relative or employee of such
8 attorney or counsel, nor am I financially interested
9 in the outcome of this action.
10

11 IN WITNESS WHEREOF, I have subscribed my
12 name this 25th day of March, 2008.

13
14
15 
16 PATRICIA L. HUBBARD, CSR #3400
17
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23
24
25

EXHIBIT 8.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

ANN OTSUKA, et al.,
Plaintiff,

CERTIFIED COPY

-VS-

No. C07-02780 BZ

POLO RALPH LAUREN
CORPORATION, a Delaware
corporation, et al.

Defendants.

Videotaped Deposition of

CORINNE PHIPPS

Tuesday, June 12, 2007

Reported by:
KACY PARKER BARAJAS, RPR, CRR
CSR No. 10915
Job No. 15854LR



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1 personality, I probably did ask him questions, but I
2 didn't -- I still didn't understand it and didn't want to
3 look, you know, stupid.

4 Q. Do you recall being provided with any materials to
5 read about the compensation program that you would be
10:25:59 6 affected by as a Polo employee?

7 A. I believe the only documents that I actually
8 remember receiving are -- was the Polo handbook, the Ralph
9 Lauren handbook. I don't recall anything else after that.
10 I'm sorry.

11 Q. Do you recall being advised by Tin that you would
12 be an exempt employee from overtime as a Polo Ralph Lauren

13 employee?

14 A. I don't recall.

15 Q. Do you recall having any discussions with him on
16 the issue of whether you would be entitled to be paid
10:26:29 17 premium overtime as a Polo Ralph Lauren employee?

18 A. I don't recall, but I do remember -- and I don't
19 know if I heard it from someone else or if I read it that
20 there would be some kind of payment at the end of the year
21 if you didn't make your numbers. That's what I remember.
22 It was very confusing to me. It's still very confusing to
23 me.

10:27:15 24 Q. I want to just back up and clear up one thing
25 before I move forward. How did you meet Ms. Otsuka?

REPORTER'S CERTIFICATE

I certify that the witness in the foregoing deposition,

CORINNE PHIPPS

was by me duly sworn to testify in the within-entitled cause; that said deposition was taken at the time and place therein named; that the testimony of said witness was reported by me, a duly Certified Shorthand Reporter of the State of California authorized to administer oaths and affirmations, and said testimony was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for either or any of the parties to said deposition, nor in any way interested in the outcome of the cause named in said deposition.

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of June, 2007.



KACY PARKER BARAJAS, RPR
Certified Realtime Reporter
State of California
Certificate No. 10915

EXHIBIT 9.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ANN OTSUKA, an individual,
et al.,

CERTIFIED COPY

Plaintiffs,

vs.

No. C-07-02780-SI

POLO RALPH LAUREN CORPORATION,
et al.,

Defendants.

Videotaped Deposition of

JANIS KEEFE

Monday, March 17, 2008

Reported by:
IRIS MEINKE-SMITH, RMR/CRR
CSR No. 3798
Job No. 18235LR



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1 MR. KITCHIN: I think we're dealing with two
2 different documents. She has the compensation
3 handbook.

4 MR. GOINES: Oh, she has the wrong one then.

02:04:47 5 THE WITNESS: Sales associate handbook.

6 MR. GOINES: I apologize. Sorry.

7 THE WITNESS: Sorry. The wrong sticker.

8 MR. GOINES: This should be Exhibit 531,
9 please.

02:05:05 10 (Exhibit 531 was re-marked.)

11 Q. BY MR. GOINES: Now, is this the Retail
12 Employee Handbook that you received when you started

13 employment at Polo?

14 A. Yes.

02:05:25 15 Q. And were you given an opportunity to review
16 this before you actually went out on the sales floor
17 and started selling goods to -- as part of your -- as
18 part of your job?

19 A. Yes.

02:05:36 20 Q. Do you recall the -- do you recall having
21 any questions when you read through this that you
22 posed to anyone at Polo Ralph Lauren?

23 A. I'm sorry. Can I just look through this
24 real quick?

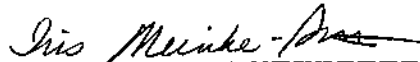
02:05:58 25 Q. Sure.

REPORTER'S CERTIFICATE

I certify that the foregoing proceedings in the within-entitled cause were reported at the time and place therein named; that said proceedings were reported by me, a duly certified Shorthand Reporter of the State of California authorized to administer oaths and affirmations, and were thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for either or any of the parties to said cause of action, nor in any way interested in the outcome of the cause named in said cause of action.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of April, 2008.



IRIS MEINKE-SMITH, CA CSR No.3798
Registered Merit Reporter
Certified Realtime Reporter

EXHIBIT 10.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ANN OTSUKA, an individual,
et al.,

CERTIFIED COPY

Plaintiffs,

vs.

No. C-07-02780-SI

POLO RALPH LAUREN CORPORATION,
et al.,

Defendants.

Videotaped Deposition of

RENEE DAVIS

wednesday, March 19, 2008

Reported by:
IRIS MEINKE-SMITH, RMR/CRR
CSR No. 3798
Job No. 18236LR



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1 think?

2 A. No.

3 Q. Have you reviewed any other -- any documents
4 that have been produced in this case that we have
10:23:50 5 provided to Mr. Kitchen during the course of
6 discovery that reflect policies and procedures that
7 were in effect at Polo during various times of your
8 employment?

9 A. would the employee handbook be considered?

10:24:03 10 Then, yes.

11 Q. So you recall reviewing an employee
12 handbook?

13 A. Yes.

14 Q. Do you recall which employee handbook you
10:24:10 15 reviewed?

16 A. I believe it was the one that I was given at
17 the time of my employment.

18 Q. And we'll go into that a little bit later.

19 Do you recall the employee handbook that you
10:24:19 20 were given was one dated in 2002?

21 A. I believe so.

22 Q. Any other documents that you recall taking a
23 look at in connection with preparation for today's
24 deposition?

10:24:30 25 A. My employee file.

21

1 Q. Yes.

2 A. Is that what you mean?

3 Q. Yes, ma'am.

4 A. No.

11:48:52 5 Q. Who was your -- who was your primary
6 supervisor, if you recall, during the course of your
7 employment?

8 A. I would say April Hicks.

9 Q. And was April there during the entire
11:49:08 10 duration of your employment?

11 A. Yes.

12 MR. GOINES: I'm going to have marked as

13 Exhibit 542 a document entitled, "Polo Ralph Lauren,
14 Retail Employee Handbook, 2002 - Volume II."

11:49:25 15 (Exhibit 542 was marked for
16 identification.)

17 MR. GOINES: And I'm also going to have
18 marked as 543 a document entitled, "Receipt for
19 Employee Handbook," bearing the date November 21,
11:49:51 20 2002.

21 (Exhibit 543 was marked for
22 identification.)

23 Q. BY MR. GOINES: Renee, one of the documents
24 I've handed you is entitled, "Polo Ralph Lauren,
11:50:12 25 Retail Employee Handbook." It bears the date 2002

1 and it has a -- it's entitled, "Volume II."

2 And my question to you is whether this -- do
3 you recall this being the handbook that you received?

4 MR. KITCHIN: Take your time and look
11:50:27 5 through it.

6 THE WITNESS: Okay.

7 This does appear to be the handbook that I
8 was given.

9 Q. BY MR. GOINES: Renee, do you recall -- take
11:50:58 10 a look at what's been marked 543, which is Receipt
11 For Employee Handbook. And did you sign -- is that
12 your signature?

13 A. Yes.

14 Q. And do I understand from this that on your
11:51:10 15 first day of employment one of the things you
16 received was a Polo Ralph Lauren Retail Employee
17 Handbook and you signed that you -- that you received
18 it, correct?

19 A. Yes.

11:51:22 20 Q. And did you actually get a copy of this to
21 take with you or were you limited to reading
22 something in the store and were not allowed to take
23 it with you?

24 A. I was allowed to take it with me, yes.

11:51:31 25 Q. And this is one of the documents that you

REPORTER'S CERTIFICATE

I certify that the foregoing proceedings in the within-entitled cause were reported at the time and place therein named; that said proceedings were reported by me, a duly Certified Shorthand Reporter of the State of California authorized to administer oaths and affirmations, and were thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for either or any of the parties to said cause of action, nor in any way interested in the outcome of the cause named in said cause of action.

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of April, 2008.



IRIS MEINKE-SMITH, CA CSR No.3798
Registered Merit Reporter
Certified Realtime Reporter

EXHIBIT 11.

COPY

1

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION

4 -----x
5 ANN OTSUKA, an individual; JANIS KEEFE, an
6 individual; CORINNE PHIPPS, an individual;
7 JUSTIN KISER, an individual; individually and
8 on behalf of all others similarly situated, and
9 RENEE DAVIS, an individual; individually and on
10 behalf of all others similarly situated,

11 Plaintiffs,

12 -against-

13 POLO RALPH LAUREN CORPORATION; a Delaware
14 Corporation; POLO RETAIL, LLC., a Delaware
15 Corporation; POLO RALPH LAUREN CORPORATION, a
16 Delaware Corporation, doing business in
17 California as POLO RETAIL CORP; FASHIONS OUTLET
18 OF AMERICA, INC., a Delaware Corporation,

19 Defendants,

20 Case No.: C-07-02780-SI
21 -----x

22 200 Park Avenue
23 New York, New York

24 December 4, 2007
25 10:18 a.m.

26 Videotaped Deposition of JUSTIN KISER,
27 pursuant to notice, before Sophie Nolan, a
28 Notary Public of the State of New York.

29 ELLEN GRAUER COURT REPORTING CO. LLC
30 126 East 56th Street, Fifth Floor
31 New York, New York 10022
32 212-750-6434
33 Ref: 86114

1 KISER

2 A. Yes.

3 Q. Did you fill out paperwork on that
4 day?

5 A. Yes.

6 Q. Okay. And do you remember what you
7 filled out?

8 A. I don't know exactly. There was a
9 pamphlet of different stuff, W-2s, company
10 policies, make sure I read the handbook.

11 Q. Did you get a copy of the handbook
12 at that time?

13 A. I read it. I never received a
14 copy.

15 Q. You read the handbook?

16 A. Yes.

17 Q. So, you sat in the office and read
18 the handbook?

19 A. Yes, and then I signed something
20 acknowledging that I read it.

21 Q. Okay.

22 MR. CAPOBIANCO: Let me have this
23 marked as Exhibit 517 -- 516, sorry.

24 (Exhibit 516, document Bates
25 stamped POLO 83, marked for

C E R T I F I C A T E

STATE OF NEW YORK)

) ss.:

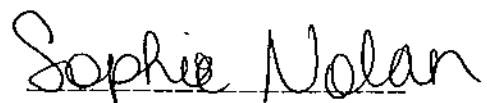
COUNTY OF NEW YORK)

I, SOPHIE NOLAN, a Notary Public
within and for the State of New York, do
hereby certify:

That JUSTIN KISER, the witness
whose deposition is herein before set forth,
was duly sworn by me and that such deposition
is a true record of the testimony given by
such witness.

I further certify that I am
not related to any of the parties to this
action by blood or marriage; and that I am in
no way interested in the outcome of this
matter.

IN WITNESS WHEREOF, I have
hereunto set my hand this 17th day of December,
2007.



SOPHIE NOLAN

EXHIBIT 12.



RETAIL EMPLOYEE HANDBOOK

CONFIDENTIAL

2002 – VOLUME 2

POLO 00507



HANDBOOK OVERVIEW

YOUR EMPLOYMENT WITH POLO RALPH LAUREN

This Handbook describes benefits and policies designed for corporate employees of Polo Ralph Lauren Corporation and certain subsidiaries and affiliates. This Handbook supersedes prior Handbooks, which should be discarded.

Neither this Handbook nor any other statement of policy or procedure constitutes a contractual relationship, either expressed or implied, between any employee and the Company. Nor does it guarantee any fixed terms or conditions of employment. No one can guarantee employment for any specific period. We consider the employment relationship between Polo Ralph Lauren and its employees to be "at will." This means that employment may be terminated by either the Company or the employee at any time, with or without cause, and with or without notice, notwithstanding any other provisions of this Handbook or other statements of policy or procedure.

The Company currently intends to continue these pay practices, employment policies and benefits. However, the Company reserves the right, whether in an individual case or more generally, to alter, reduce, or eliminate any pay practice, policy, or benefit, completely or in part, at any time, with or without notice. Moreover, if these policies or procedures are not followed, then personnel actions or decisions will not necessarily be reversed or modified.

CONFIDENTIAL

POLO 00508

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I: WELCOME TO POLO RALPH LAUREN

Dear Associate,

When I created this company over 35 years ago, it was out of a desire to elevate and celebrate authentic American design and culture. At the heart, there has been a lifestyle vision of quality, integrity and enduring style that has truly resonated with consumers around the world.

Over several decades the company has grown into a global leader in the fashion industry. We have assembled a world – class team of employees who contribute to our success in all our areas of our business. Our extraordinary design and marketing capabilities are combined with first class talent in all operational areas of the business.

At the core of our company and our success are dedicated and talented employees who are passionate about who we are and the special contribution we make to the world of design and fashion. As our company has grown larger and more complex, it is important that we continue to develop new ways to capture the essence of what makes us a family.

Allow me to welcome you to our family and wish you great success as you add your unique contribution to this wonderful enterprise.

Sincerely,

A handwritten signature in black ink that reads "Ralph Lauren". The signature is fluid and cursive, with a long horizontal stroke at the end.

Ralph Lauren
Chairman

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POLO 00511

RALPH LAUREN BIOGRAPHY

"I believe in design that has integrity, design that lasts and is part of a lifestyle that becomes more personal with time."

In these few words, Ralph Lauren, Chairman and Chief Executive Officer of Polo Ralph Lauren, defines the philosophy upon which he has built a global lifestyle brand — one that exemplifies timeless elegance and attention to detail — in short, a brand that represents the best in American innovation and creativity.

Ralph Lauren was born in New York City in 1939. He began his design career with one neckwear line in 1967. Over time, Mr. Lauren's name has become synonymous with natural elegance and enduring style. Currently, Polo Ralph Lauren includes Polo, the signature menswear line, Purple Label, Ralph Lauren Blue Label, Ralph Lauren Collection and Black Label, Chaps, Lauren, and Polo Jeans Co.

Additionally, Mr. Lauren designs collections for infants and toddlers, boys and girls, and the RALPH by Ralph Lauren line for young women. To complement these collections Ralph Lauren created a prolific line of fragrance, grooming, and skin fitness products for men and women that includes Polo, Lauren, Safari, Polo Sport, Ralph Lauren Polo Sport Woman, Romance, Romance for Men, and Glamorous.

Expanding his range of lifestyle design, he debuted Ralph Lauren Home in 1983. He was the first designer to introduce a home collection. The comprehensive line includes linens, wall coverings, lighting, a tabletop collection, and expertly crafted furniture. In 1995, Ralph Lauren Home introduced Ralph Lauren Paint Collection, combining every element for which the designer is known — product innovation, color, and an exciting lifestyle approach to home products.

In 1971, the first Ralph Lauren store redefined the retail experience when it opened in Beverly Hills, California. Today, along with the New York flagship in the former Rhinelander Mansion on Madison Avenue, there are stores in London, Paris, Tokyo, Chicago, and preeminent cities worldwide.

Ralph Lauren is the only designer to receive the Council of Fashion Designers of America's three highest honors — the Lifetime Achievement Award, the Womenswear Designer of the Year Award, and the Menswear Designer of the Year Award as well as Retailer of the Year. In June 2000,

to celebrate his contributions to American style, Ralph Lauren was among the first designers inducted into the fashion Walk of Fame.

Ralph Lauren has appeared on the cover of and been the subject of numerous profiles in such magazines as *Time*, *New York* magazine, *Vanity Fair*, *Town & Country*, *Fortune*, and *Forbes*.

In his personal and corporate life, Ralph Lauren has a strong commitment to philanthropy. Mr. Lauren has been a visible leader in the fight against breast cancer for 15 years. In 1989, along with the late Katherine Graham, he founded the Nina Hyde Center for Breast Cancer Research at Georgetown University. Mr. Lauren led the fashion industry in its support of breast cancer research when he founded and chaired the Council of Fashion Designers of America's initiative, "Fashion Targets Breast Cancer." Since its inception in 1994, this international awareness campaign has raised over \$10 million.

During June 2000, in an effort to bring quality cancer prevention and care to the under-served community of Harlem, Polo Ralph Lauren contributed \$5 million to establish the Ralph Lauren Center for Cancer Prevention and Care. The Ralph Lauren Center will provide comprehensive education, screening and diagnostic services not only for breast cancer, but also for a range of cancers — prostate, lung, cervical, and colon cancers — as well as treatment and referrals through the continuum of care. In a unique partnership with Memorial Sloan-Kettering and North General Hospital, the Ralph Lauren Center will serve as a model for other under-served communities across the country.

During September 2000, to support the mission of the Ralph Lauren Center, Polo Ralph Lauren launched the Pink Pony Campaign. The initiative aimed to reduce disparities in cancer care by raising awareness as well as enhancing prevention, screening and treatment in medically under-served communities. By designing t-shirts and mesh shirts with a special Pink Pony logo, Ralph Lauren lent his classic polo player icon to a philanthropic cause for the first time. Contributions generated by the sale of these products will go to programs dedicated to reducing disparities in cancer treatment and to increasing access to quality care. From the moment the first Pink Pony shirt appeared on the runway, the campaign and its message have alerted the world to this important issue.

In 1998, Polo Ralph Lauren pledged \$10 million to conserve and preserve the Star-Spangled Banner, the flag that inspired the national anthem. The donation, and an additional \$3 million in-kind contribution for promotion, kicked off the "Save America's Treasures" campaign to celebrate and preserve the nation's past for future generations. At the time of the announcement, Ralph Lauren was quoted as saying, "The flag is an inspiration for all Americans — it captures the dreams and imaginations of men and women all over the world. I am a product of the American dream, and the flag is its symbol. We at Polo Ralph Lauren are honored to contribute to the preservation of this important American treasure."

In the days immediately following the disaster of September 11, 2001, Ralph Lauren announced the creation of The American Heroes Fund at The Polo Ralph Lauren Foundation — an opportunity for the Company's 10,000 employees worldwide to participate in the relief effort.

Donations to the American Heroes Fund will go to a variety of charitable organizations directly involved with the relief effort.

Mr. Lauren has received numerous awards in recognition of his philanthropic efforts. In 1996, Diana, Princess of Wales, presented Ralph Lauren with the first Humanitarian Award from the Nina Hyde Center for Breast Cancer Research in recognition of his extraordinary leadership in the fight against the disease. Also in 1996, for his commitments to the arts and education, and for his prominent role in the fight against breast cancer and AIDS, he received an Honorary Doctorate of Humane Letters from Brandeis University. In 1998, he received the Breast Cancer Research Foundation's first Humanitarian Award for his outstanding commitment to breast cancer research.

Ralph and his wife Ricky Lauren are the parents of two sons and a daughter, Andrew, David, and Dylan.

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II: COMPANY HISTORY

Polo Ralph Lauren began with a man's tie and a singular point of view about style, elegance and taste.

In 1967, Ralph Lauren established the Polo Division of Beau Brummel neckties — astonishing the fashion industry by designing wide, handmade ties using unexpected, flamboyant, opulent materials. An instant success, Polo ties quickly became a status item. He chose the name Polo because, to him, the sport represented a lifestyle of athletic grace and discreet elegance. With his first tie, Ralph Lauren revolutionized the industry and inspired the enduring vision of the complete Polo lifestyle. As the 1970's began, Ralph Lauren boldly opened new fashion worlds by reinventing women's style with the introduction of Ralph Lauren womenswear.

Fragrances became the next touchstone in Ralph Lauren's philosophy of total design, presenting Polo for men and Lauren. For the first time in fashion history, two fragrances — one for men and one for women — were launched simultaneously. Both became classics. Today, Polo Ralph Lauren features an entire wardrobe of outstanding, award-winning fragrances for men and women. Unprecedented in the market, Ralph Lauren's creation of Polo for Boys introduced high-quality childrenswear and began a tradition of children's clothing. Since 1978, Polo children's clothing has expanded into a full line of childrenswear for girls, boys, infants and toddlers.

Ralph Lauren's Home Collection debuted in 1983. Never before had a designer launched an entire home collection. Today, this luxurious line includes furniture, paint, lighting, bedding, bath, table linens, tabletops/giftware, fabric/wallpaper, bath hardware, and floor coverings, which combine to create a timeless and truly American home.

In 1993, with a singular understanding of the American lifestyle and the changing national attitude towards fitness and health, Ralph Lauren introduced an entire fitness line — Polo Sport.

In 1994, Ralph Lauren's timeless sense of refinement, tailoring and taste prompted his reintroduction of true

luxury and quality into American menswear with Purple Label, an exclusive brand of men's tailored clothing.

Launched in 1996, Polo Jeans Co. offers a line of contemporary casualwear for our younger customers. Polo Sport originated its RLX line of functional sportswear in 1998. Ralph Lauren created the RALPH line in 1999 to appeal to the daughter of the Lauren customer.

In 1969, Polo by Ralph Lauren revolutionized the concept of the retail environment by establishing the first shop-within-a-shop — a designer boutique for men in Bloomingdale's in New York City. Two years later, Bloomingdale's in New York City opened the first shop-within-a-shop for women. With the opening of the Beverly Hills Polo store in 1971, Ralph Lauren made history again and became the first American designer with his own freestanding store.

Polo Ralph Lauren currently operates 34 domestic Ralph Lauren stores — the ultimate showcases for the Ralph Lauren collections and services — which includes four Polo Sport and two Polo Country stores. Polo Ralph Lauren also owns and operates 116 factory store locations, offering attractive savings on Ralph Lauren merchandise. These include 22 Polo Jeans Co. and two Home factory store locations.

Guided by a pioneering spirit to expand the breadth and reach of his vision, Ralph Lauren opened a store on London's New Bond Street in 1981 and became the first American designer with a European boutique. And he furthered the influence of American style by becoming the first American designer with a store in Paris, opening a Polo Ralph Lauren store on Place de la Madeleine in 1986. Polo Ralph Lauren now operates retail stores worldwide.

On June 12, 1997, Polo Ralph Lauren began trading publicly on the New York Stock Exchange. Officially, the name of the Company became Polo Ralph Lauren Corporation. Its New York Stock Exchange symbol is "RL."

In 1999, Polo Ralph Lauren acquired Club Monaco, a contemporary brand catering to a young, hip customer

with an edgy, urban line of apparel, home furnishings, accessories and cosmetics.

That same year, the RL restaurant in Chicago opened adjacent to our flagship store — the largest Polo flagship store in the world. A glamorous space, the restaurant was designed and appointed with antique furniture and fixtures, a private collection of photography, sketches and oil paintings from the Chicago Historical Society's Archives. The executive chef is Giancarlo Gottardo. The restaurant is collaboration between Ralph Lauren and several entrepreneurs and marks a foray into a new territory.

In 2000, Ralph Lauren created another first: Polo.com — the first luxury designer, e-commerce destination Web site in the United States. Launched by Ralph Lauren media, Polo.com presently offers comprehensive, online access to the classic, American, Ralph Lauren lifestyle with clothing, accessories, fragrances, vintage items, travel, style tips, multimedia information and entertainment, world-class customer service and more.

In addition to demonstrating vision and excellence in the fashion industry, Ralph Lauren continuously reaffirms his commitment to humanitarian and philanthropic efforts. In 1989, Ralph Lauren founded the Nina Hyde Center for Breast Cancer Research. The institution was named in honor of his friend, *Washington Post* fashion editor, Nina Hyde, who died of breast cancer. Together with the CFDA (The Council of Fashion Designers of America), Ralph Lauren founded Fashion Targets Breast Cancer in 1994.

In 1996, Polo Ralph Lauren and Polo Sport the Fitness Fragrance became the title sponsors of "Polo Sport Race to Deliver," benefiting God's Love We Deliver which serves hot meals to homebound people with AIDS/HIV.

In 1998, Polo Ralph Lauren announced a corporate gift of \$13 million to the "Save America's Treasures Campaign" to preserve the Star-Spangled Banner that is housed at the Smithsonian Institution's National Museum of American History in Washington, DC.

Polo Ralph Lauren launched its Volunteer Program in 2000. This program energizes employees and creates meaningful connections with their communities.

Polo Ralph Lauren contributed \$5 million to establish the Ralph Lauren Center for Cancer Prevention and Care at North General Hospital in Harlem, New York. The center provides access to quality care for the community.

Polo Ralph Lauren began the Pink Pony Campaign, a national initiative to reduce disparities in cancer care by

raising awareness, as well as enhancing prevention, screening and diagnostic services for a range of cancers.

In celebration of his contribution to American style, Ralph Lauren was among the first designers inducted into the Fashion Walk of Fame in June 2000. In the past, Ralph Lauren has received many prestigious awards for his unique contributions to the world of fashion and for his unwavering commitment to humanitarian efforts. These include:

Coty Award for Menswear (1970); Tommy Award for Men's Fashion (1971); Coty Return Award for Menswear, Neiman Marcus Distinguished Service Award, and Woolknit Design Award (1973); Coty Womenswear Award and Winnie Award (1974); American Fashion Award (1975); Induction into the Coty Hall of Fame for Menswear, Coty Award for Womenswear and Return Award for Womenswear — the first person ever to win both Menswear and Womenswear Awards (1976); Induction into the Coty Hall of Fame for Womenswear (1977); Coty Award for Retailer of the Year (1981); The CFDA Fashion Retailer of the Year (1986); FiFi Fragrance Star of the Year for Safari Ralph Lauren (1990); The CFDA Lifetime Achievement Award, Fragrance Foundation's Best Men's Fragrance Award for Polo Crest and the FiFi Fragrance Star of the Year for Safari for Men (1991); The CFDA Womenswear Designer of the Year Award (1995); Humanitarian Award from the Nina Hyde Center for Breast Cancer Research presented by Diana, Princess of Wales, FiFi Award for Best National Advertising Campaign for Ralph Lauren Polo Sport Women; Honorary Doctorate of Humane Letters from Brandeis University and The CFDA Menswear Designer of the Year Award (1996); The CFDA Award for Humanitarian Leadership presented by Hillary Rodham Clinton (1997); Humanitarian Award from the Breast Cancer Research Foundation presented by Evelyn Lauder, FiFi Fragrance Star of the Year Award for Ralph Lauren Romance, and FiFi Award for Best National Advertising Campaign for Ralph Lauren Romance (1998); and FiFi Fragrance Star of the Year Award for Ralph Lauren Romance Men and FiFi Award for Best National Advertising Campaign for Ralph Lauren Romance for Men (1999).

Polo Ralph Lauren began with a man's tie and a singular point of view about style, elegance and taste. Today, that vision has been translated into 20 diverse brands, solid domestic roots, global expansion, and a strong commitment to humanitarian and philanthropic efforts. As a result, Polo Ralph Lauren has received worldwide attention and recognition for a classic and timeless contribution to the world of fashion and the American lifestyle.

WOMEN'S LINE

Ralph Lauren Collection

Ralph Lauren Collection is the epitome of Ralph Lauren's Womenswear vision. Highly acclaimed for originality and innovation, Ralph Lauren Collection represents the very best of fashion and luxury, quality and craftsmanship, while remaining true to the Ralph Lauren style lexicon.

Ralph Lauren Black Label

An extension of Ralph Lauren "Collection", Ralph Lauren Black Label embodies a spirit of timeless elegance and luxuriously signature fashion. Designed for the discerning woman seeking simple elegance and style, the Black Label Collection offers beautiful, sophisticated classics with a modern attitude.

Ralph Lauren Blue Label

Ralph Lauren celebrates a modern approach to American Heritage. Drawing on timeless classics, Ralph Lauren creates a collection rich in spirit and style. He uses his signature lifestyle and preppy heritage, infusing it with a spectrum of colors and beautiful fabrications streamlined into new proportions. The attitude is fresh with a touch of eclectic style.

Polo Golf

Polo Golf brings the luxury and good looks of Polo to the links. Wear tested by PGA Professionals for authentic functionality and offering traditional styling with modern features and fabrics.

RLX Polo Sport

RLX offers the perfect fusion of form and function for the serious athlete: authentic gear which meets the highest standards of performance, combined with up-to-the minute fabrics and features of modern design. RLX respects the unique culture and lifestyle of high performance sports.... A free-spirited sense of personal achievement and appreciation of life.

Lauren Ralph Lauren

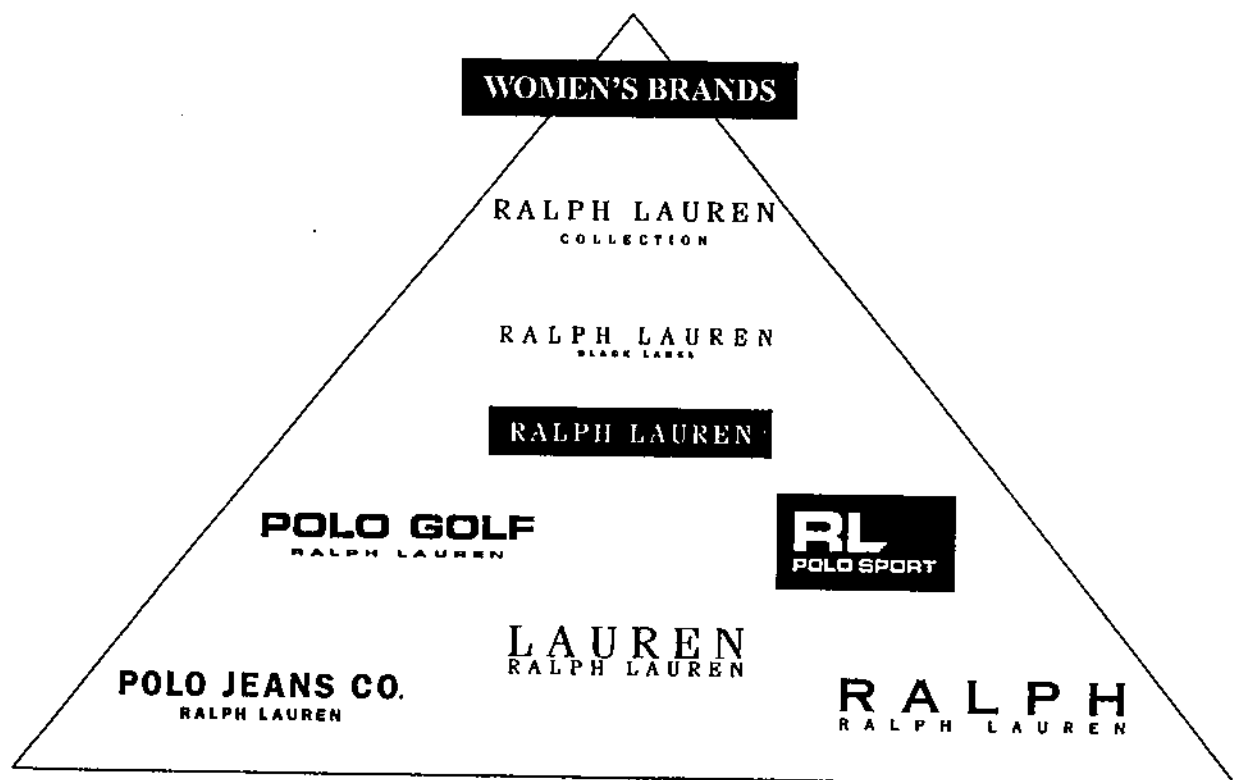
Lauren by Ralph Lauren offers a world of accessible luxury and sophistication... "investment dressing" for the woman whose sense of personal style leads her to quality classics with a fresh fashion twist.

Ralph

Celebrates the fresh, young world of Ralph by Ralph Lauren - bright, modern, clean and all-American. The Ralph girl gives new definition to today's "preppy": stylish but not trendy; young enough to be sweet, but old enough to be sexy; traditional, but with a decidedly contemporary attitude.

Polo Jeans Co.

Ralph Lauren joins forces with the inventive and energetic spirit of the urban youth culture to create surprisingly fresh interpretations of denim wear. Multi-cultural, improvisational, and eclectic, the Polo Jeans Company celebrates spontaneity and self-expression.



MEN'S LINE

Ralph Lauren Purple Label

Ralph Lauren redefines the elegant world of international men's fashion....beautifully finished clothing with a custom fit; luxurious sportswear in sumptuous fabrics. Purple Label reintroduces true luxury and quality into American Menswear; this line of handmade suits is as close to custom as retail can get. Purple Label is for the sophisticated, well-traveled customer who enjoys true luxury, and a quietly distinctive look. The line represents the very best in style, design, fabric, quality, and craftsmanship.

Polo Ralph Lauren

In this line, Ralph Lauren offers classic tradition combined with a spirit of boundless possibilities, optimism and adventure...where quality and achievement are profoundly respected, and where a natural sense of style is proudly but discreetly displayed.

Polo Sport

Polo Sport offers the confident, easy-going, effortless style of Polo, tailored to an active lifestyle. Youthful exuberance is intertwined with the classic sensibility of Polo, giving life to a uniquely American feel.

Polo Golf

Polo Golf brings the luxury and good looks of Polo to the links. Wear-tested by PGA Professionals for authentic functionality and offering traditional styling with modern features and fabrics.

RLX Polo Sport

RLX is the perfect fusion of form and function for the serious athlete: authentic gear which meets the highest standards of

performance, combined with up-to-the minute fabrics and features of modern design RLX respects the unique culture and lifestyle of high performance sports.... A free-spirited sense of personal achievement and appreciation of life.

Chaps

Chaps is the clean-cut all-American look for the young man who appreciates fine quality and classic style at an affordable price.

Polo Jeans Co.

Ralph Lauren joins forces with the inventive and energetic spirit of the urban youth culture to create surprisingly fresh interpretations of denim wear. Multi-cultural, improvisational, and eclectic, the Polo Jeans Company celebrates spontaneity and self-expression.

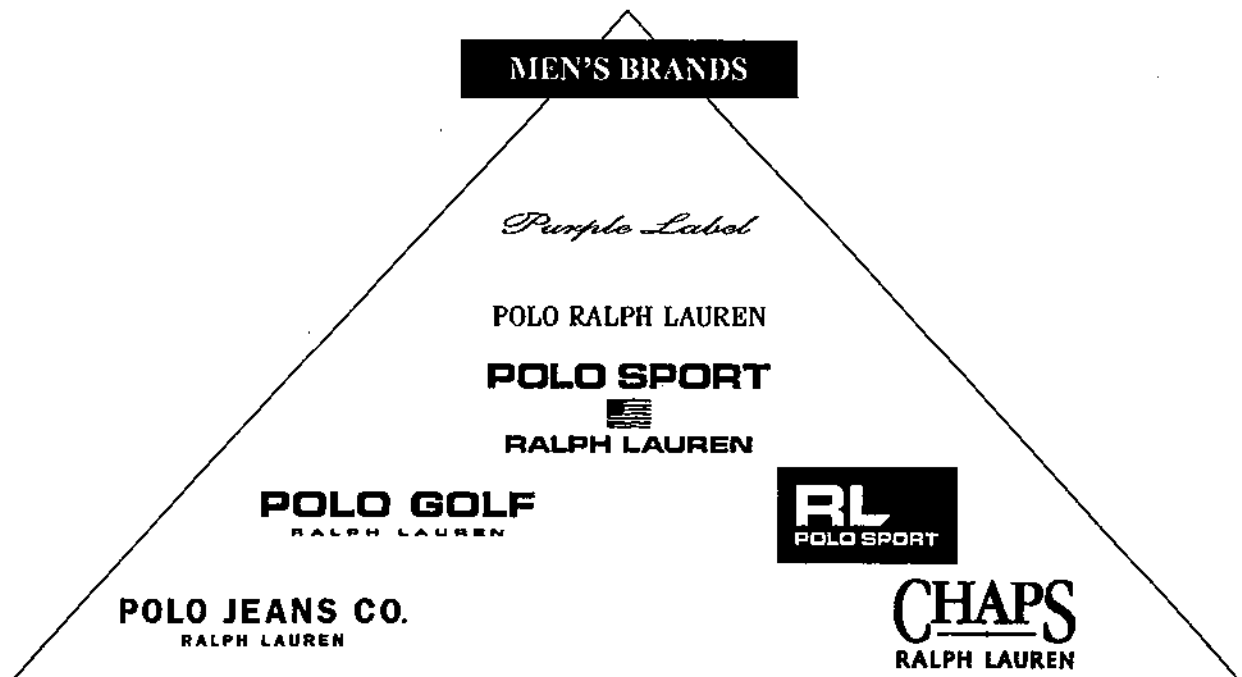
OTHER LINES

Ralph Lauren Home

Ralph Lauren Home Collection enhances the romance, serenity and beauty of our homes through quality offerings that create a mood of luxury, comfort, and style. Today, this line includes furniture, paint, lighting, bedding, bath, table linens, tabletops/giftware, fabric/wallpaper, bath hardware, and floor coverings, creating a timeless and truly American home. With this line, Ralph Lauren is the first designer to really capture a total lifestyle brand concept.

Ralph Lauren Children's

Polo and Ralph Lauren Childrenswear present a world where timelessness and quality adapt to the boundless energy and inventiveness of children. This line includes clothing for boys, girls, toddlers and infants





III: FAIR EMPLOYMENT

FAIR EMPLOYMENT PRACTICE POLICY

Since people hold the key to achieving our business objectives, they constitute our most important asset. It is the policy of Polo Ralph Lauren to seek and employ the highest qualified people for all of our facilities and locations. Polo provides equal opportunities for employment and advancement of employees, including promotion and training. The Company manages these activities in a manner that does not discriminate against any person because of race, color, religion, gender, age, national origin, marital status, disability, sexual orientation, or any other characteristic protected by applicable law.

The Company's efforts to provide equal-employment opportunities include:

- Implementing and monitoring equal-opportunity programs, reporting regularly on their status to the Senior Vice President of Human Resources;
- Recruiting, employing, training, and promoting persons for all job classifications without regard to race, color, religion, gender, sexual orientation, age, marital status, disability, national origin, or any other characteristic protected by applicable law;
- Basing employment decisions upon an individual's qualifications for the position being filled;
- Basing promotion decisions upon an individual's job performance, experience, abilities, skills, and interests as related to the specific requirements of the position being filled;
- Administering a variety of personnel actions and programs such as compensation, benefits, transfers, recruitment, terminations, company-sponsored training, educational tuition assistance, and social and recreational programs without regard to race, color, religion, gender, sexual orientation, age, marital status,

disability, national origin, or any other characteristic protected by applicable law;

- Providing reasonable accommodations as needed to promote the full employment of individuals with disabilities, so that qualified individuals with a disability or handicap can participate in the employment application process as well as the Company's training and education courses and programs;
- Communicating to all supervisors and managers that equal-opportunity employment is an essential part of their responsibilities. Every member of our staff should understand that offering equal opportunity for all is not only a requirement of law, but also a goal that the Company wholeheartedly embraces;
- Creating a discrimination-free environment in which all employees can work without fear of intimidation or harassment because of their race, color, religion, gender, sexual orientation, age, marital status, disability, national origin, or any other characteristic protected by applicable law; and
- Addressing and resolving complaints quickly and fairly.

In keeping with the procedure set forth, the Company will handle accusations of discrimination or harassment appropriately. The Fair Employment Practice Department was established to ensure consistent and fair handling of all workplace issues, so that results and decisions do not vary from business unit to business unit and all associates are treated in a fair and non-discriminatory manner. The department has been charged to thoroughly investigate all allegations of discrimination and to initiate appropriate disciplinary action when necessary. Given the sensitive nature of these allegations, all information regarding specific occurrences will be kept on a legitimate, business, need-to-know basis. This measure extends to a point consistent with adequate investigations and appropriate corrective actions.

The Department has three core responsibilities:

1. **Compliance:** To ensure that all Company policies and/or local and federal workplace laws are upheld;
2. **Investigation:** To investigate all allegations of discrimination in the workplace;
3. **Equal Employment Opportunity (EEO) Training:** To conduct appropriate levels of EEO training for every member of our team.

Any employee that wishes to speak with an Employee Relations Counselor may call toll free 1-866-FAIR-2-YOU (324-7296). Our full-time counselors will manage every call and investigate each concern. The creation of this department is important in the corporate history of the Company, demonstrating our continued commitment to all our employees.

EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION

As part of a commitment to equal-employment opportunity, the Company developed and will continue to maintain an Affirmative Action Plan. Under the Plan, the Company recruits, hires, trains, and promotes the most qualified individuals at every level of responsibility. Polo is also committed to hiring and promoting from a diverse assembly of talent, including women, minorities, qualified individuals with disabilities, disabled veterans, and veterans of the Vietnam era — those who wish to benefit under the Affirmative Action program by identifying themselves to the Human Resources Department. Consistent with this policy, all other personnel matters, including, but not limited to, compensation and benefits, terminations, and recreational programs will adhere to these standards.

AMERICANS WITH DISABILITIES ACT

The Company is committed to complying with all applicable provisions of the Americans with Disabilities Act ("ADA"). It is the Company's policy not to discriminate against any qualified employee or applicant

with regard to any terms or conditions of employment because of such functions of the job. Consistent with this policy of no discrimination, the Company will provide reasonable accommodations to a qualified individual with a disability, as defined by the ADA, that does not constitute an undue hardship on the Company.

Employees with a disability who believe they need a reasonable accommodation to perform the essential functions of their job should contact the General Manager/Store Manager. The Company encourages individuals with disabilities to come forward and request a reasonable accommodation.

PROCEDURE FOR REQUESTING AN ACCOMMODATION

On receipt of an accommodation request, the General Manager and/or a supervisor will meet with the employee to discuss and identify the precise limitations resulting from the disability and the potential accommodation that the Company might make to help overcome those limitations.

The Company will determine the feasibility of the requested accommodation considering various factors, including, but not limited to, the nature and cost of the accommodation, the availability of tax credits and deductions, outside funding, the Company's overall financial resources and organization as well as the accommodation's impact on the operation of the Company. This includes its impact on the ability of the other employees to perform their duties and on the Company's ability to conduct business.

The ADA does not require the Company to make the best possible accommodation, to reallocate essential job functions or to provide personal use items (i.e., eyeglasses, hearing aids, wheelchairs, etc.).

An employee or job applicant who has questions regarding this policy or believes that he or she has been discriminated against based on a disability should notify the Human Resources Department. All such inquiries or complaints will be treated as confidential to the extent permissible by law.

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IV: EMPLOYMENT PROCESS

JOB OPPORTUNITIES

The Company is committed to attracting outstanding talent and developing them to their fullest potential. The Company's "promote from within" spirit offers a variety of career opportunities for achievement-oriented individuals. In order to keep employees current with available opportunities within the Company, a Corporate Job Posting is distributed and displayed regularly throughout the stores. Store line postings are also regularly posted within the stores. In addition, this posting may be accessed on the Company Intranet. After one year in a job, employees may apply for a posted position. Interested employees should contact their District Manager and/or the staffing department to learn more about the available position.

Polo Ralph Lauren ensures equal opportunity without regard to an employee's race, color, religion, gender, sexual orientation, age, marital status, disability, national origin, or any other characteristic protected by applicable law, so long as the essential functions of the job can be performed with reasonable accommodation. Please refer to our Fair Employment Practice Policy for further details.

EMPLOYMENT REFERENCES

Our Company policy maintains that requests for employment references will be limited to confirmation of

a former employee's dates of employment, job title, salary, and department. No other information will be provided unless the Company is required by law to furnish it or the employee authorizes the Company to present this information and releases the Company from any liability for furnishing the information.

The Human Resources Department is responsible for responding to every reference request regarding former employees of the Company. If an employee receives any such requests, he/she should refer it promptly to a representative of the Human Resources Department.

PERFORMANCE MANAGEMENT

The Performance Management Review Process is an objective method of discussing an employee's goals and results over a given period of time. Polo reviews its employees on an annual basis. However, the Company always encourages frequent discussions between supervisors and employees, with both parties actively participating. The goal is to enable each employee to excel in the workplace, contributing to the best of his/her ability, in a way that benefits the personal career growth and development of the employee as well as the performance of the Company.

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V: POLICIES

PROFESSIONAL WORK ENVIRONMENT

Polo Ralph Lauren is committed to providing a professional work environment in which all individuals treat each other with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal-employment opportunities and prohibits discriminatory practices, including harassment. Therefore, the Company expects that all relationships among persons in the workplace will be businesslike and free of bias. Employees whose reporting or supervisory relationship involves a relative must notify the Human Resources Department.

FRATERNIZATION

Polo recognizes and respects the rights of employees to associate freely and pursue personal relationships with those they encounter in the work environment. However, employees must use good judgment to ensure that those relationships do not compromise their job performance or their ability to supervise others. It is considered unprofessional if the conduct arising from a friendship, romantic or otherwise intimate relationship between employees in the same work location, creates an uncomfortable work environment or has an adverse impact on others. This includes, but is not limited to, favoritism, open displays of affection, or making business decisions based on emotions or friendships rather than on the best interest of the Company. Employees who find themselves in an intimate relationship or friendship should use tact, good judgment, and sensitivity.

Employees in a reporting relationship with someone they are consensually dating or married to or with whom they are romantically involved must inform the next level of management and/or Human Resources. In order to protect the interests of both employees and avoid any conflict of interest, the Company will work with both individuals to ensure that their employment responsibilities remain separate from their personal relationship. The Company

may determine that, in order to avoid an actual or perceived conflict of interest, it is necessary to transfer one of the individuals, or have one of them resign.

EMPLOYEE RELATIVES

Although Polo allows relatives to work within the Company, family members are not permitted to supervise or report to each other.

ANTI-HARASSMENT POLICY

Our Company's policy pledges to maintain a work environment free of unlawful discrimination for all associates. Any type of harassment, sexual or otherwise, violates this policy and remains unacceptable conduct. Employees should contact the Fair Employment Practice Department if they are subject or witness to conduct of this type.

WHAT IS PROHIBITED HARASSMENT?

Sexual harassment constitutes discrimination and is illegal under federal, state, and local laws. For the purposes of this policy, sexual harassment is defined, in the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature. For example, when:

- Submission to such conduct is made either explicitly or implicitly during the term of an individual's employment;
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual; and
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Sexual harassment may include a range of subtle and not so subtle behaviors that may involve individuals of the same or

different gender. Depending on the circumstances, these behaviors may include, but are not limited to: unwanted sexual advances or requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess, or sexual deficiencies; leering, catcalls, or inappropriate touching; insulting or obscene comments or gestures; display or circulation in the workplace of sexually suggestive objects or pictures (including through e-mail); and other physical, verbal, or visual conduct of a sexual nature.

Harassment based on any other protected characteristic is strictly prohibited. Under this policy, harassment constitutes verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her race, color, religion, gender, national origin, age, disability, marital status, sexual orientation or that of his/her relatives, friends or associates, or any other characteristic protected by applicable law; and that (i) has the purpose or effect of creating an intimidating, hostile or offensive work environment; (ii) has the purpose or effect of unreasonably interfering with an individual's work performance; or (iii) otherwise adversely affects an individual's employment opportunities.

Harassing conduct includes, but is not limited to, epithets, slurs, or negative stereotypes; threats, intimidation, or hostile acts; and denigrating jokes. This includes the display or circulation, through e-mail or otherwise, of written or graphic material that denigrates or shows hostility or aversion toward an individual or group.

INDIVIDUALS AND CONDUCT COVERED

These policies apply to all applicants as well as employees, and prohibit harassment, discrimination, and retaliation, whether engaged in by fellow employees, a supervisor or manager, or someone not directly connected to the Company (e.g., an outside vendor, consultant or customer).

Conduct prohibited by these policies is unacceptable in the workplace. This includes any work-related setting outside the workplace, such as business trips, business meetings, and business-related social events.

RETALIATION IS PROHIBITED

The Company prohibits retaliation against any individual who reports discrimination, harassment or participates in an investigation of such reports. Reprisals against an individual for reporting harassment, discrimination, or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy. And,

like harassment or discrimination, retaliation will be subject to disciplinary action.

REPORTING AN INCIDENT OF HARASSMENT, DISCRIMINATION OR RETALIATION

The Company strongly urges individuals to report every incident of discrimination, harassment, or retaliation, regardless of the identity or position of the offender. Individuals who feel they have experienced conduct contrary to the Company's policy or who have concerns about such matters should file complaints with their immediate supervisor, the Vice President of Labor Relations, or the Fair Employment Practice Department.

Individuals should not feel obligated to file complaints with their immediate supervisor before bringing the matter to the attention of one of the other designated Company representatives identified above. Prompt reporting and intervention prove to be the most effective method of resolving actual or perceived incidents of harassment. Therefore, while no fixed reporting period has been established, the Company strongly urges the prompt reporting of complaints. This response ensures rapid and constructive action.

The availability of these complaint procedures does not preclude individuals who believe they are being subjected to harassing conduct from promptly advising the offender to discontinue his/her unwelcome behavior.

THE INVESTIGATION

Any reported allegations of harassment, discrimination or retaliation will be investigated promptly. The investigation may include individual interviews with the parties involved. And, when necessary, the Company will interview individuals who observed the alleged conduct or have other relevant knowledge. All information will be kept on a legitimate, business, need-to-know basis throughout the investigation — privacy consistent with an adequate investigation and appropriate corrective action.

RESPONSIVE ACTION

Misconduct that constitutes harassment, discrimination, or retaliation will be dealt with appropriately. Responsive action may include, but is not limited to training, referral to counseling, or disciplinary action such as warning, reprimand, reassignment, temporary suspension without pay, or dismissal, as the Company deems appropriate under the circumstances.

IMPORTANT NOTICE TO EMPLOYEES

Employees who have experienced conduct they believe is contrary to this policy have an obligation to take advantage of

this complaint procedure. An employee's failure to fulfill this obligation might affect his/her rights in pursuing legal action.

Individuals with questions or concerns about these policies should speak with the Senior Vice President of Human Resources or a member of the Human Resources Department. Finally, these policies should not, and may not, be used as a basis for excluding or separating individuals of a particular gender or any other protected characteristic from participating in business or work-related social activities or discussions in order to avoid allegations of harassment. The law and the policies of the Company prohibit disparate treatment on the basis of gender or any other protected characteristic, with regard to terms, conditions, privileges, and prerequisites of employment. The prohibitions against harassment, discrimination, and retaliation are intended to complement and further these policies, not to form the basis of an exception to them. Individuals with questions regarding this policy or the training the Company provides should contact the Human Resources Department or call 1-866-FAIR-2-YOU (324-7296).

VIOLENCE IN THE WORKPLACE/ OFFICE SAFETY

The Company strongly believes that all employees should be treated with dignity and respect and is committed to a workplace that is comfortable, safe, and productive. Accordingly, employees are expected to conduct themselves in a manner that will not endanger them, other employees, or visitors. Work areas should be kept free of all obstructions that may cause injury to employees or other visitors on the premises.

Further, the Company prohibits violence or threats of violence in the workplace. This prohibition includes, but is not limited to: intimidation; physical aggression (striking, slapping, showing, throwing objects); threatening language, such as shouting and cursing (whether verbal, written or electronic); threatening gestures; and/or actual physical fighting by any employee. Personal firearms, knives, dangerous chemicals and/or weapons of any kind are prohibited in the workplace, in Company vehicles or in an employee's possession while on Company property.

Any instances of violence must be reported to the employee's supervisor and/or the Human Resources Department. All complaints will be fully investigated and the Company will promptly respond to any incident or suggestion of violence. Any violation of this policy will result in disciplinary action, up to and including discharge.

DRUG/ALCOHOL USE

The Company is committed to protecting the health and safety of its employees by providing a work environment free of substance abuse. Polo is committed to preserving its high performance standards, principles that substance abuse inevitably compromises. Accordingly, the following activities are prohibited for all employees:

1. The consumption of alcohol on the Company's premises, whether or not it takes place during regular business hours. This does not apply to moderate and appropriate use during Company-sponsored or catered functions, events, or meals. Employees should abstain from the consumption of alcohol while on business or drink only in moderation during appropriate circumstances.
2. Consumption of alcohol away from the Company's premises in a manner that interferes with an employee's job performance. This means employees must avoid the following:
 - Becoming unfit to perform assigned job duties.
 - Creating potential safety risks to themselves, our clients, co-workers, the general public, and Company property.
 - Impugning the Company's reputation.

The illicit use of controlled and illegal substances is contrary to the behavior Polo expects from employees. Our Company maintains that this behavior subjects all employees and visitors to our facilities to unacceptable safety risks, and undermines the Company's ability to operate effectively and efficiently. In view of this, the Company strictly prohibits the unlawful manufacture, distribution, dispensation, possession, sale, or use of a controlled substance in the workplace. This extends to employees engaged in Company business off the Company's premises. Furthermore, the Company prohibits such conduct during non-working hours; it is the Company's conclusion that this behavior impairs an employee's ability to perform on the job and compromises the reputation and integrity of the Company. At its discretion, the Company may require employees who violate this policy to successfully complete a drug or alcohol abuse assistance or rehabilitation program as a condition of continued employment. Violations of this policy will subject employees to disciplinary action, and may include dismissal.

SMOKING

Our policy prohibits smoking inside any Company stores. Employees concerned about this policy should contact the

Human Resources Department. Our staff will investigate the situation and resolve such matters with the management of the department. While resolving disputes surrounding this policy, the health concerns of the employee who desires a smoke-free work area will be accorded priority.

MEAL PERIODS AND BREAKS

Employees are allowed to take two (2) fifteen-minute breaks during an eight hour workday. These break periods are on Company time; therefore, employees are expected to remain on Company premises. Break periods are to be spent in designated areas (lunchrooms) so other employees will not be disturbed.

Polo provides its employees with breaks and meal periods in accordance with local laws. It is the manager's responsibility to ensure that the appropriate breaks are taken.

- Meals are unpaid — employees must clock out.
- Breaks are paid — employees do not clock in or out.
- Combining meal time and break time is not allowed.
- Taking the break at the end of the shift in order to leave early is not allowed.
- All breaks should be given two hours into the shift and/or as close to the middle of the shift as possible.

Sample Break Chart- Non-Minors (18 years and older)

Hours Scheduled	Meal	Break	Hours Worked
3.5	none	none	3.5
4.0	none	15 min.	4.0
4.5	none	15 min.	4.5
5.0	none	15 min.	5.0
5.5	30 min.	15 min. ^{1,2}	5.0
6.0	30 min.	15 min.	5.5
6.5	30 min.	15 min. ²	6.0
7.0	30 min.	15 min. ²	6.5
7.5	30 min.	15 min. ²	7.0
8.0	60 min.	15 min, 15 min.	7.0
8.5	60 min.	15 min, 15 min.	7.5
9.0	60 min.	15 min, 15 min.	8.0
9.5	60 min.	15 min, 15 min.	8.5
10.0	60 min.	15 min, 15 min, 15 min.	9.0
10.5	60 min.	15 min, 15 min, 15 min.	9.5
11.0	60 min.	15 min, 15 min, 15 min.	10.0
11.5	60 min.	15 min, 15 min, 15 min.	10.5
12.0	60 min.	15 min, 15 min, 15 min.	11.0

¹Employees in CA, CO and NH must receive a 30 min. unpaid meal and a 15 min. paid break. Therefore, employees in these states will have worked 4.5 hours.

²NY only: Employees scheduled more than 5.5 hours, but less than 8.0 hours must receive a 45 min. unpaid meal and a 15 min. paid break.

³PR only: Employees must receive a 60 min. unpaid meal for every 5.0 hours worked. Two 60 min. unpaid meals are required when 10.0 or more hours are worked.

WORK HOURS AND SCHEDULES

Store hours and employee work schedules vary by location. Each employee is scheduled for specific days of the week and for specific hours each day. Work schedules are determined by the managers and must be flexible to ensure adequate floor coverage and provide maximum customer service at all times. It is essential that employees adhere to the posted schedule. Changes to an employee's schedule can be made only with written approval of a manager. Work schedules are normally posted at least one week in advance.

Sometimes business requires last-minute schedule revisions, which are announced at least 24 hours in advance whenever possible. Questions about specific guidelines regarding schedule postings and requesting time off should be directed to the manager.

ATTENDANCE AND TARDINESS

It is the employee's responsibility to notify a manager of an absence or lateness no later than two hours before the start of his/her shift, or as soon as possible thereafter. It is the responsibility of the employee to notify the manager each workday of absence.

MEDICAL-RELATED/OTHER UNSCHEDULED ABSENCES

Absences due to illness will be excused up to six occurrences in a fiscal year (April – April). Any Absences beyond an employee's sick/personal allotment (see p. 38 for details) would be considered unexcused and excessive, for reasons other than those provided by any leave. Unexcused absences may be subject to disciplinary action, up to and including discharge.

If an employee is absent without notifying the supervisor, he/she may be subject to disciplinary action, up to and including discharge. If an employee is absent from two consecutive shifts without having contacted a manager, he/she will be considered to have voluntarily ended his/her employment on job abandonment grounds on the second day of absence.

TARDINESS

Tardiness is defined as:

- Reporting to work after the scheduled start time;
- Leaving work before completing the full work schedule; and
- Leaving early for or returning late from scheduled break and meal periods.

A record of excessive tardiness will result in corrective action, up to and including dismissal.

REPORT-IN PAY

If an employee is non-exempt and is asked to report to work on any day (including weekends and holidays), and the associate does so at the requested time, but no work is available, then the employee must receive report-in pay according to applicable state laws. If there is no specific state law, then the employee is paid for the actual hours worked. This includes instances of inclement weather, when the store is instructed to close as well as instances when the employee reports to work and the store is already closed. Managers can inform an employee as to whether this policy applies in their state.

State	Report-in Pay Requirement
CA	Employees who are asked to report in, but are not kept for at least half of their scheduled shift must receive report-in pay for half the scheduled shift or two hours, whichever is greater.
CT	Four hour minimum pay unless scheduled hours are less than four hours, then two hours pay.
DC	Four-hour minimum pay unless hours scheduled are less than four hours, then pay for scheduled hours.
MA	Three hours minimum pay.
NH	Two hours minimum pay.
NY	Four hours or number of hours scheduled in shift, whichever is less.
NJ	One-hour minimum pay.
RI	Three hours minimum pay.

INCLEMENT WEATHER

The retail stores will make every effort to remain open regardless of the weather conditions. Each store will review each extreme weather situation as it occurs. A manager will inform his/her employees regarding possible delays or closings.

DISCIPLINARY PROCEDURE

Disciplinary procedure may include one or more of the following four steps:

1. Verbal warning;
2. Written warning;
3. Suspension; and
4. Dismissal.

Disciplinary procedure will apply to the offense rather than to the person. For example, a verbal warning may be given for poor workmanship, a written warning for absenteeism, a suspension for violating a safety rule, and a dismissal for stealing. Any malicious act, such as purposely destroying Company property or striking a fellow employee, will be cause for immediate dismissal.

Other examples of misconduct that could warrant a verbal or written warning, immediate suspension, or discharge include, but is not limited to: (a) deficient attendance, (b) chronic tardiness, (c) incompetence on the job, (d) insubordination, (e) willful disregard of Company rules or supervisor's instructions, (f) use, possession, sale, or being under the influence of alcohol or drugs on Company premises or on duty elsewhere, (g) fighting, threatening, intimidating, abusing, or coercing other employees, (h) stealing, and (i) falsification of records or lying. Repeated warnings for certain offenses, such as violating a safety policy, may result in suspension and then dismissal. Any one occurrence, based on the level of severity, may result in immediate discharge. Employees with questions should approach their immediate supervisors, Fair Employment Practice Department, or Human Resources manager.

Nothing contained herein, however, precludes the Company's right to terminate an employee's employment at any time, with or without cause, and with or without notice.

PRESS INQUIRIES

Polo realizes that employees would never speak to the press with anything but the best intentions; however, a casual comment or answer to a harmless question may violate guidelines. If contacted by a member of the press, including any author or writer, an employee should refer the individual to the Public Relations Department at (212) 318-7611.

INFORMATION REQUESTS

All information requests or any notices received from government agencies or legal counsel should be directed to the Vice President-Labor Counsel or Vice President Labor & Fair Employment Practice at 650 Madison Ave., New York, NY 10022, (212) 318-7000. Under no circumstances should an employee attempt to respond without prior approval.

NON-SOLICITATION POLICY

Solicitations by or for outside organizations are not permitted. Requests for solicitations should be referred to the employee's manager or Human Resources representative.

SILENT WITNESS PROGRAM

The Silent Witness Program helps the Company better protect the security and the safety of our employees and our assets. Its design allows an employee to report all information regarding theft, drugs, vandalism, or other improper activities anonymously by telephone — at any time, from any place. To report information call 1(800) 338-2327.

PERSONAL APPEARANCE

Standards of dress, grooming, and personal cleanliness contribute to the morale of all employees and affect the image our Company presents to customers and visitors.

During business hours or when representing the Company, employees are expected to present a clean, neat, and tasteful appearance. An employee should dress and groom himself/herself according to the requirements of their position, particularly when the job involves personally interacting with customers or visitors.

An employee's supervisor or department head is responsible for establishing a reasonable dress code appropriate to the job performed. An employee should consult his/her supervisor with questions concerning appropriate appearance.

An employee who does not meet these dress standards may be asked to correct his/her appearance and, further, may be subject to disciplinary action, up to and including discharge. This policy is not intended, however, to interfere with an employee's religious observance or a medical condition requiring special clothing or outfitting.

DRESS STANDARDS

Proper work attire is required at all times. If an employee is unsure about what is considered proper attire, then he/she should ask a manager. Employees are required in all PRC locations to wear Polo Ralph Lauren merchandise. All FOA location employees are required to wear long-sleeve, Oxford shirts with khaki chinos. Each Retail Division has specific guidelines. Employees may contact their manager for details.

You are your best selling tool. Employees' attire should be reflective of merchandise they are selling. The Company offers liberal discount benefits and a special purchase program to accommodate clothing needs.

PRC SPECIAL PURCHASE PROGRAM

The Special Purchase Program provides employees with a method to purchase an on-the-job wardrobe at a 65% discount, without having to immediately expend the entire dollar amount. This is viewed as an advance (taken in clothing) to be repaid by means of a payroll deduction.

The account established is a Special Purchase Account, and may not be used in the same manner as a regular charge account. Contact the Credit Department if you wish to apply for a regular charge account.

Please note the following may not be placed on a Special Purchase Account:

- Gifts;
- Home Collection items; or
- Spouse or Dependent purchases.

It is important for employees to understand that the Company has established the Special Purchase Program to facilitate employee purchasing of on-the-job wardrobe items.

AMOUNT ADVANCED

The amount advanced is normally two weeks' earnings or draw, repaid in equal payments, deducted from each paycheck. Once a dollar amount has been established, it cannot be altered. The following illustrates how the system works:

1. An employee elects to purchase \$600 of clothing (cost after discount). The Company deducts an equal amount from each paycheck during the following six month period. (If there are 12 paychecks in that six month period, \$50 will be deducted from each check).

2. An employee joins the Company on October 1 and wants to enroll in the program with a \$600 purchase. As period II ends on January 15, there are less than four months remaining in the program. Therefore, the deductions will be made in equal installments from each paycheck between October 1 and January 15.

ENROLLMENT

All regular employees working at least 20 hours per week are eligible to participate in the Special Purchase Program. There are two periods during the corporate year in which the Special Purchase Program is offered. These are:

1. Period I (Spring/Summer) — February 1 to July 15 (SPUR1 on paychecks).
2. Period II (Fall/Cruise) — August 1 to January 15 (SPUR2 on paychecks).

These dates are subject to change. Employees should contact their General Managers for applicable enrollment forms and more specific information about the program.

FOA PURCHASE CARDS

To assist employees in acquiring items fitting into the proposed Employee Dress Guidelines, a special purchase program has been developed for all FOA store employees.

- Every store employee will receive a purchase card.
- This card will contain all relevant employee information, including his/her name and the number of items purchased.
- The card entitles each employee to purchase five pairs of Chinos and five Oxford shirts at a cost of \$15 a piece.
- The card is valid for six months from the date of issue. It is not necessary to purchase more than one item at a time.
- Clothing may be purchased for the employee named on the purchase card only.

PERSONAL TELEPHONE CALLS

Telephones are available on the selling floor for business use only. Personal phone calls are to be made off the selling floor and are to be kept to a minimum.

EMPLOYEE CONDUCT AND RESPONSIBILITIES

Most rules of conduct are a matter of practical common sense and consideration for fellow workers and customers. In general, all employees are required to conduct themselves in a manner which will not embarrass, endanger or violate the rights of any other individual. Certain types of unacceptable behavior warrant specific mention:

1. Unauthorized entrance into Company building.
2. Dishonest conduct including:
 - Unauthorized removal of Company merchandise or property.
 - Unauthorized removal of the personal property of other employees.
 - Lying or falsification in any manner related to employment.
3. Any involvement in the tampering with or the altering of any time-keeping record.
4. Violation of Employee Discount Policy.
5. Defacing Company property, including removal of Company notices or other written matter. Destruction of property belonging to either the Company or another employee.
6. Failure to notify a Manager in advance of tardiness or absence from work.
7. Threatening, intimidating, coercing or interfering with fellow employees while on Company property.
8. Deliberately restricting or interfering with the work or the productivity of other employees.
9. Insubordinate behavior; failure to follow Manager's directions or instructions.
10. Failure to follow proper safety, health, and fire regulations.
11. Possession or use of alcoholic beverages or illegal drugs on Company property or working while under the influence of such substances.
12. Failure to report personal injuries that occur while working.
13. Operation of machinery or other equipment without proper authorization.

14. Stopping work before the end of scheduled work hours without permission from Management.
 15. Leaving an assigned area/job without notifying a Manager and ensuring proper coverage of the area.
 16. Creating or contributing to unsafe or unsanitary conditions and/or poor housekeeping.
 17. Endangering the safety of others.
 18. Failure to abide by Company/shopping center parking regulations (if applicable).
 19. Gambling on Company property.
 20. Horseplay or fighting.
 21. Failure to comply with security policies and procedures.
 22. Failure to adhere to policy or procedures relating to customer transactions.
 23. Divulging personal salary arrangements to other Polo Retail Corporation associates.
-
24. Unauthorized possession of weapons, firearms or ammunition on Company property.
 25. Unprofessional behavior toward co-workers, customers or Management, including but not limited to using profanity, failure to address/resolve conflict behind closed doors.
 26. Wearing or removing merchandise from the store that has not been paid for.
 27. Removing or manipulating pricing for personal purchases.

The above list of work rule violations is intended to illustrate types of behavior on the job that are unacceptable and may lead to disciplinary action or termination, however it is not exhaustive. Polo Retail Corporation and its Subsidiaries and Affiliates reserve the right to determine whether other forms of misconduct violate Company work rules not mentioned above.

Further, employment continues to be "at will," which means that employment may be terminated by either the Company or by an employee at any time, with or without cause, and with or without notice, notwithstanding any other provision of this Handbook.

OPEN DOOR POLICY

The Company believes that communication is vital to its success and welcomes employee input, sharing ideas and expressing concerns. Employees are encouraged to take the following steps:

1. Talk to a direct manager first. He/she is there to answer questions and assist in professional growth.
2. If an employee and a manager are unable to find a solution or he/she is uncomfortable discussing an item of concern with a direct manager, discuss the situation with the General Manager.
3. Open communication is encouraged both at the store level and on a corporate level. Employees are free to contact Human Resources with any unanswered questions, concerns, or situations they wish to see addressed at the corporate level.

STAY INFORMED

All backroom areas have bulletin boards that disseminate corporate policy statements, announcements, notices of employee activities, and other important news. The bulletin board is one of the fastest ways of getting such information to employees accurately and promptly. Employees should not depend on the "grapevine" for information about the Company. The "grapevine" can be misinformed. Employees should check the bulletin board every day and not hesitate to ask a manager to clarify any subject that is unclear.

Any employee that wishes to post notices must first receive approval from the General Manager.

ATTEND MEETINGS

The Company often conducts meetings with employees to make sure employees are aware of what is going on in the Company. This is an effort to inform employees of changes, new methods, and company progress. Managers will inform employees of meeting dates and times. These meetings are intended also as an opportunity for employees to share ideas, suggestions, and recent experiences that may be helpful to the store with their manager and fellow associates. These meetings are mandatory and extremely important, and employees should participate in them when they occur.



VI: INTERNAL SECURITY POLICIES AND RULES

EMPLOYEE PURCHASES

All employee returns or exchanges must be accompanied by a receipt and approved by a manager.

Employee "Holds" are not permitted.

Employee purchases can only be transacted at designated times. Consult a General Manager for the times at the store. A manager must approve all employee purchases at the time of sale. Another manager must approve and process all managers' purchases. No individual may transact his/her own purchases, or the purchase of a family member or friend (additional paperwork may be required at PRC Stores).

Employee special orders must be approved by the Credit Department prior to placement.

Merchandise purchased during the work day must remain in a sealed bag accompanied by a receipt. All such bags are to remain in the designated security area until departure from the store at the end of the designated work shift.

No one may wear or use store merchandise that has not been purchased.

Employees must provide the General Manager with a receipt for any Polo Ralph Lauren merchandise purchased from a source other than their store.

Gifts purchased by employees will not be wrapped, but will be packaged in the same manner as any other purchase. Gift boxes, where applicable, will be provided upon request. FSC employee must purchase gift boxes, and should see a manager for specific details.

EMPLOYEE DISCOUNT BENEFIT RULES

- Gifts, which you purchase, must be paid for entirely by you. You may not be reimbursed by anyone. Using your Discount to purchase items for other individuals (other than gifts) is a violation of these rules.

- Merchandise must be in the store at least 10 (ten) days prior to discount purchase. This may vary depending on inventory levels. PRC only
- Commission is not paid on employee purchases. (Except during corporate directed shopping events) PRC only
- When your discounts used to purchase a gift, certain qualifications apply to the recipient: if the recipient chooses to return the gift for cash the discounted price will be given. Or gifts may be exchanges on retail for retail basis.
- Sale merchandise is not eligible for an employee discount. If the merchandise is on sale, you receive either the discounted sale price or pay full retail minus your employee discount. PRC only
- Employee discount may not be used to purchase a gift certificate.
- The discount benefit is for active employees only – all transactions must be completed prior to an employee's termination.

Any violation of the discount privilege will be viewed as a violation of our security policy and may result in immediate dismissal.

CUSTOMER TRANSACTIONS

Employees may not ship orders to customers and charge a credit card prior to their approval.

A receipt must accompany all mail-outs or alterations.

All voids must have a manager's signature.

A manager must approve any returns or exchanges. Employees should see their General Manager or Store Manager for specific details.

A manager must approve all cash refunds.

No transaction may be signed "Per customer" or "Signature on file."

Returns of employee purchases originally made through Polo.com or other retailers for the purpose of return and repurchase at your employee discount are prohibited.

PRC only

All merchandise in "Paid" areas (i.e., finished alterations) must be accompanied by a paid receipt.

Customer returns must go under the original salesperson's number. If the original number is unknown, then it will be returned under the house salesperson's number. Anyone who returns on the house account, when the original sales number is known, will be in violation of the security policy.

All customer holds must be properly identified (completed hold tags), and may not be held longer than one to three days (according to store location) without a manager's approval.

All "Holds" must remain in the designated hold area.

COMMISSION POLICY

Commissions are only earned on the sale of merchandise net of any markdowns, promotions, discounts or returns.

Commissions are not earned on supplemental shipping, alterations and/or sales tax charges.

Sales to any employee or to an employee's family are not commission eligible except during corporate directed shopping events. All employee sales should be processed under the applicable House Employee Sales number.

Commissions are not earned on the sale of footwear. However, applicable shoe points may be awarded consistent with current shoe point policy from Ralph Lauren Footwear.

Selling outside of your primary department with your known client is encouraged; however, management reserves the right to station you in a specific area to meet business needs.

Additionally, the following rules apply:

SALES

I. If Sales Associate A assists a walk-in customer or an existing client with new purchases, Sales Associate A receives commissions on product sold.

II. If Sales Associate A assists Sales Associate B's client while Sales Associate B is either not working or unavailable, Sales Associate A receives commission on product sold.

III. For charge send transactions, if the customer is in Store A and the product is in Store B, then the sales associate in Store A receives the commission.

IV. Sales Associate A assists a customer and places product on hold. If the customer later returns and Sales Associate A is either unavailable or not working and Sales Associate B rings up the product, Sales Associate A receives commission on the merchandise placed on hold. If Sales Associate B assists the customer with additional purchases, Sales Associate B receives commission on the additional purchases. If the merchandise was not placed on hold, Sales Associate B receives commission on the product.

V. If two customers arrive together and shop in the store with two different sales associates (either in the same or in different departments), each sales associate receives commission for the product they sold.

VI. If a customer shops in one department with Sales Associate A and shops in another department with Sales Associate B, each respective sales associate receives commission for the product they sold.

VII. Any sales processed through the Polo.Com website are not eligible for commission payment.

VIII. Merchandise cannot be purchased from an outside store and then returned to PRC for the purpose of generating sales/commissions for a sales associate. Only merchandise purchased from PRC stock is eligible for commission payment.

IX. Sales of decorative and/or creative props must follow established Creative Services procedures. All transactions must be rung through the POS system. An employee's standard commission rate will be used to determine commission.

RETURNS/EXCHANGES

Every attempt should be made to determine the original sales associate for all returns through the use of the actual receipt or the POS system database. A good faith principle should also be used if you are aware of the original sales associate; however, the original sales associate must consent and acknowledge the original transaction in cases of good faith. If the original sales associate cannot be determined, the appropriate House Account number should be credited.

Every attempt should be made to allow the original sales associate the opportunity to facilitate the return/exchange.

All returns must be approved and signed by a member of store management.

- I. If a customer purchases product from Sales Associate A and returns the product, the return is credited to Sales Associate A's number, regardless of the location of either the purchase or the return.
- II. All returns of damaged, defective, or mis-altered merchandise ~~should be returned to the original sales associate's number~~ regardless of responsibility.
- III. If a customer purchases product from both Sales Associate A and Sales Associate B, all returns of the product are credited to the applicable sales associate number.
- IV. If a customer purchases product from Sales Associate A and returns the product to Sales Associate B, the return is credited to Sales Associate A's employee number.
- V. If a customer purchases product from Sales Associate A and Sales Associate A is unavailable or not working when the customer comes back, then Sales Associate B should assist the customer.
 - If the product is exchanged for a like item, then the product should be returned and re-sold under Sales Associate A's number. For example, a medium blue knit shirt is exchanged for a large red knit shirt.
 - If the product is returned, then the product should be returned under Sales Associate A's number.

In either case, if the customer selects additional merchandise or a different style of product, then those

items are considered new purchases and Sales Associate B should receive commission for all new purchases.

VI. If the original sales associate is unknown, then the following principles apply:

- If the product is exchanged for a like item, then the product should be returned and re-sold under the appropriate house number.
- If the product is returned, then the product should be returned under the appropriate house number.

In either case, if the customer selects additional merchandise or a different style or product, then those items are considered new purchases and the sales associate should receive commission for all new purchases.

GENERAL SECURITY

- Designated entrances and exits must be used at all times, unless exempted by the General Manager.
- To avoid any potential conflict of interest, a manager is required to complete the requested transaction on any sale to a personal friend or relative.
- Bag checks must be performed anytime an employee leaves the store. It is each individual's responsibility to notify a manager when leaving the store with a bag, box or any other item used to carry merchandise.
- All bags and packages brought into the store must be secured in the designated security area. Handbags and backpacks are not permitted on the sales floor.
- Personal wardrobe items brought into the store may not be left in the store and must be removed on a daily basis.
- All trash must leave the building in clear bags through designated exits and must be checked by a manager.
- All personnel are responsible for immediately removing merchandise left behind in fitting rooms.
- Two people must open and close the store at all times (one must be a manager) unless waived in writing by the Executive Office. At no time may there be only one person in the store.
- Security area doors/exits must be locked and armed at all times.

- All off-site merchandise and display items must have prior management approval before leaving a designated off-site holding space.
- Former employees are restricted from the back areas of the stores.

If an employee suspects an internal security problem, address it confidentially with the General Manager (if appropriate) or call Human Resources, LP, or the Silent Witness line. The Company will make every possible attempt to keep identities anonymous if it instigates an internal investigation. Based on the severity, certain people may need to be contacted on a business, need-to-know basis.

Failure to cooperate in a Company investigation may result in dismissal.

KEYS/CODES/PASSWORDS

Keys to doors/exits are to be in the possession of managers only. All lost or stolen keys must be reported immediately to the General Manager so that locks can be changed.

Access to manager's keys is limited to authorized personnel.

Managers' keys or pass codes are not to remain in the register, but are to remain in the possession of management only.

CREDIT

- If an employee's personal check is returned to the Company due to a shortage of funds, he/she must immediately send the Credit Department a money order for the amount of the check. The employee will not be allowed to write a check at Polo Retail Corporation for six months.
- Credit cards are not transferable. Only the cardholder whose name appears on the card may use the card; otherwise, call the credit card company for assistance.
- Employees may not override a decline on a credit card.

- All returns must be returned to the same card on which the original transactions occurred.
- All personnel must be familiar with all aspects of Polo Private Label changes, instant credit, furniture accounts and back-up authorizations.

PRC only

- All phones orders must have pink card procedures followed. All hand deliveries must have signatures.
- All credit card transactions must have the customer's signature, otherwise, follow pink card procedure. No transaction may be signed as "Per Customer" or "On File."

BAG INSPECTION

All packages are subject to inspection by Store Management. Inspections will be conducted at the employee entrances and exits. A sales receipt must accompany all purchases made by employees.

The Company reserves the right to randomly inspect all shopping bags, briefcases, totes, handbags or other items taken from the store as well as work areas and lockers. Such inspections are a condition of employment.

SAFETY/ON THE JOB INJURIES

Safety in the workplace is the responsibility of every employee. The Company constantly attempts to provide a safe environment, but if an employee becomes aware of a potentially dangerous situation, it should be reported to management or the Human Resources Department as soon as possible.

If an employee is involved in any type of accident during working hours, he/she must notify the manager or Human Resources immediately. Due to state Workers' Compensation Laws, certain reports may be required.

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VII: CONFIDENTIALITY AND CONFLICT

Polo Ralph Lauren creates, develops, and markets products and services. It is the responsibility of our employees to assist the Company in these efforts, recognizing the Company's entitlement to the ongoing benefits of all contributions made during the course of their employment. The following policy intends to clarify employee responsibility with regard to confidentiality and ownership of work products.

Nothing in this policy is intended to interfere with or prevent employees from exercising any rights under the National Labor Relations Act or otherwise protected by applicable law.

NON-DISCLOSURE OF INFORMATION

Our employees have access to certain confidential information. If misused or disclosed, this information could adversely affect our business. Therefore, it is the responsibility of our employees to diligently protect the Company's confidentiality. While employees should consider all information relating to Company business as confidential, it is virtually impossible to identify all varieties of confidential information an employee may experience. "Confidential information" includes, but is not limited to, all information relating to:

- Company designs for products, advertising and promotional materials, and store environments;
- Company business methods and practices;
- Company client books, records, and databases;
- Company resources for products and services used in connection with the Company's business;
- Company databases and other compilations, data or information and the Company's computer system components;

- Company techniques for finding, analyzing and distributing data or information;
- The names of the Company's customers, suppliers, and the nature of the Company's relationships with them;
- Confidential, proprietary, or trade-secret information submitted by current or potential suppliers, licensees, and others for the Company to study, evaluate, or use; and
- All other information relating to the Company that is not generally known to the public, including information about personnel, products, services, future business plans, and financial information.

An employee may not, during his/her employment with the Company or anytime thereafter, use or disclose to anyone (except as specifically authorized in the regular course of business) any of the Company's confidential information (as described above). When an employee leaves the Company, he/she must return any Company property in his/her possession, including all copies of any material relating to the Company's confidential information. Violation of this policy is a serious offense, resulting in appropriate disciplinary action, up to and including dismissal.

If an employee has access to the confidential information of any other company as a result of prior employment or otherwise, he/she should take care not to disclose such confidential information to the Company or to use that information in order to influence the Company's designs, plans, or strategies. Employees concerned that an assignment with our Company may jeopardize a prior employer's secrets should contact the Human Resources and/or Legal Department.

The Company reserves the right to inspect and search employees and their belongings that have been brought onto its property. It can remove or recover, without notice, any of its property, intellectual or real, including all documents and devices in which it holds a proprietary copyright, trade secret, or confidential commercial interest. This covers any intellectual or real property which has been provided to or for employees, or was created or developed by employees during their employment, including the contents of electronic messaging systems and voice mail messages.

For this purpose, "Company property" means all property that is owned, leased, rented, or has been otherwise paid for or furnished by the Company. Examples are:

- Lockers, storage areas, offices and office contents, such as desks, files (electronic and paper), credenzas and other furniture;
- Computers, computer hardware and software, the contents of electronic storage, and memory devices and devices themselves;
- Books, manuals, procedures, standards, or guides and other documents relating to the Company, its clients

and employees, or the manner in which it conducts its business;

- Automobiles owned or leased by the Company; and
- The spaces, places; or things used to transact or conduct business or business-related activities, such as meetings or entertaining, or any other facilities including halls, dining rooms, planes and training and educational venues.

OUTSIDE EMPLOYMENT

While working with us, employees of our Company, as well as our Subsidiaries and Affiliates, who seek outside employment must notify his/her manager of their intent. The Company reserves the right to request that an employee give up or forego such employment. This includes work that the Company deems will interfere with the proper completion and performance of an employee's job requirements. Failure to comply with this policy, or disclose applications for outside employment, may result in immediate dismissal.

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VIII: ELECTRONIC COMMUNICATIONS

The electronic communications policy applies to all Polo Ralph Lauren employees and workers assigned temporarily to our Company. It outlines employee safeguards to avoid inappropriate use of the Internet, e-mail, personal computers, and other computing equipment. This provision protects the wider interests of the Company, its employees, and our customers.

Polo recognizes that while Company-provided assets and facilities are intended solely for use concerning the Company's business, some incidental personal use is inevitable. The Company reserves the right to impose ~~additional restrictions on the use of Company assets~~ and/or institute disciplinary procedures when it is determined that an employee has misused Company assets. Misuse may include, but is not limited to, use of Company assets to conduct a private business for personal gain; causing damage to the Company's network or hardware, including damage resulting from viruses introduced as a result of such personal usage; violating any law or Company policy, particularly those relating to harassment or other forms of improper conduct. Specifically, the Company prohibits the use of electronic communications for unlawful, defamatory, disrespectful, hostile, abusive, obscene, or other inappropriate communications. This includes, but is not limited to, circulating chain letters or racist, inflammatory, or sexually oriented messages, images, or jokes. If any employee receives such materials, he/she should delete the communications immediately and should notify the sender not to send such materials in the future.

Accordingly, the Company has the right to monitor the use of and access any and all contents stored or transmitted via the Company's electronic communications system, including Internet usage, for any reason, without permission of any employee and without notice, unless applicable law requires otherwise.

USE OF THE INTERNET

While accessing information on the Internet, employees should protect the Company's computing resources. There is a vast amount of information available on the Internet. And while very useful, the Internet also stores and disseminates destructive and, in some cases, illegal material. Polo strongly discourages downloading files from the Internet, owing to the risk of contracting a virus. If there is no alternative, it is important to ensure that files are downloaded only from trusted sites. If an employee has any questions, he/she should consult the Help Desk before downloading the files. Again, ~~the Company acknowledges incidental, personal use of the Company's assets and systems.~~

However, due to the security and network integrity concerns previously mentioned, users of the Company's systems and services are forbidden from browsing or downloading any information from the Internet, especially information that has the potential to cause damage to the Company's network or hardware, including damage resulting from viruses.

Additionally, the Company hold individuals personally responsible for browsing or downloading any information not directly related to their job and/or the Company's business. This is particularly relevant for materials that could be considered offensive by anyone (see Chapter V: Policies). Where any doubt exists, the Company's systems and services should not be used for personal communications.

USE OF CORPORATE E-MAIL ACCOUNTS

The Company accepts personal use of corporate e-mail accounts insofar as it does not impair personal productivity, impugn the Company's reputation, cause damage to the Company's networks or hardware, expose the Company's network or systems to viruses, or offend others.

So-called "spam" must never be sent using the Company's e-mail accounts. Spam is unsolicited e-mail sent usually to large mailing lists for nonbusiness purposes.

Additionally, employees must not use Company e-mail accounts to initiate or perpetuate "chain" e-mail. Attachments to these e-mails routinely contain viruses that spread from one computer to another.

Therefore, take extreme caution when receiving e-mails that appear to suggest anything other than legitimacy. It is impossible to describe or define the precise appearance of an attachment that contains a virus. Employees will need to use good judgement or, alternatively, advice from the Company's IS Department.

Avoid registering a Company e-mail account on external mailing lists for anything other than business purposes. These dubious lists could invite unsolicited "junk" e-mails, resulting in congestion on the Company's internal networks.

Before using e-mail services for communicating privacy-marked information, the sender must make every effort to lessen the sensitivity of the message. Determine whether the benefits of e-mail outweigh the risks of unauthorized disclosure, and accept responsibility for running the risk of unauthorized disclosure.

It is important that our Company employees understand that the Company considers individual items of e-mail, even if stored in private folders, as "company records." In addition to being reviewed by the Company, these documents may be subject to search by authorized external bodies (e.g., courts), and/or disclosed to third parties.

SOFTWARE AND DATA HELD ON POLO RALPH LAUREN COMPUTERS

Company employees must not use unlicensed software on a computer owned or operated by the Company. When possible, protect documents with the built-in password facilities supplied with the software, such as MS Word, Excel, etc. This provides a low-level of protection, but prevents any casual attempt to view the documents.

Employees are encouraged to make use of "power-on" and "screen saver" passwords. This too provides only low-level protection, but increases the difficulty to access the files of an unattended computer.

Refrain from using personal storage media or software on Company-owned computers, systems, or applications. Using personal software or storage media may introduce viruses into the Company network and systems. In addition, this may put the Company at risk with regard to the infringement of copyright laws. Introducing computer viruses to a Company-owned computer system or application may result in appropriate disciplinary action.

VIRUS AND E-MAIL WARNINGS

Employees will, at some time, receive unsolicited e-mails that may contain viruses and chain e-mails, etc. Disguised as virus/e-mail warnings, these alerts encourage people to read them. To ensure that employees receive only legitimate warning information from reliable sources, these messages will be sent from the Company Help Desk, or occasionally from the IS Department. Treat other messages with utmost caution.

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IX: YOUR PAY

WHEN YOU ARE PAID

Employees regularly receive their pay bi-weekly on Fridays. Payment will include base salary as well as any overtime payment earned during the prior two-week period.

For payroll purposes, each pay week begins at 12:01 a.m. on Sunday and continues through midnight of the following Saturday. If the normal payday falls on a Polo Ralph Lauren holiday, paychecks will be distributed one working day prior to the aforementioned schedule.

HOW YOU ARE PAID

It is the Employee's responsibility to clock in and out properly. Employees are only paid for hours logged in on the time clock. Failing to clock in appropriately may affect an employee's paycheck. Clock in errors cannot be reconciled until the next pay period. Regular commissions and overtime earned will be paid in the bi-monthly paycheck following the transaction. Our pay period begins on Sunday (12:01 a.m.) and continues through midnight, the following Saturday.

Salaried employees are paid current to the date. Hourly employees are paid for the hours worked through the previous two weeks. The Company pays every employee by check unless he/she chooses to deposit his/her salary directly into a designated bank account.

If an employee chooses payment by check, then his/her manager distributes them. The manager will hold the check for up to five days if an employee is absent on a payday. After the fifth day, the paycheck will be returned to Payroll with an explanation as to why the check could not be delivered.

If an employee chooses payment by direct deposit, then deposits are made to a checking or savings account. Confirmations of deposit are distributed bi-weekly on Fridays.

If an employee wishes to be paid by direct deposit, then he/she should obtain a Request for Direct Deposit Banking form from the Payroll Department and return the completed form to them. Allow at least two pay periods for the service to begin.

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X: BENEFITS

YOUR POLO RALPH LAUREN BENEFITS PROGRAM

Our comprehensive benefits program is one way Polo Ralph Lauren recognizes the essential contributions of our employees to the Company's success. To receive the maximum benefits and coverage that an employee is eligible for and to make informed choices and decisions, it is vital to know and to understand how the Company's benefit plans and programs work. Two weeks prior to his/her eligibility date, and again during our annual Open Enrollment, an Employee Benefits Package will be mailed to his/her home. Please read these materials carefully to become familiar with all of the plans.

The program consists of the following plans and programs:

- Medical Insurance;
- Dental Insurance;
- Vision Discount Program (automatically enrolled upon eligibility);
- Health Care and Dependent Care Flexible Spending Accounts (FSA);
- Short-term Disability (automatically enrolled upon eligibility);
- Long-term Disability (automatically enrolled upon eligibility);
- Profit Sharing Retirement Savings Plan;
- Basic Life Insurance (automatically enrolled upon eligibility);
- Group Universal Life Insurance;
- Travel Accident Insurance (if applicable, automatically enrolled upon eligibility);
- Employee Assistance Program (EAP) (automatically enrolled upon eligibility); and
- Child Care Counseling and Referral Program (automatically enrolled upon eligibility).

For more detailed information on any of these plans or programs, refer to the Employee Benefits Package, the

applicable Summary Plan Description (available online 2002), or contact the Benefits Department.

ENROLLING FOR MEDICAL AND DENTAL COVERAGE

An employee may enroll for medical and dental coverage:

- When he/she is hired or first becomes an eligible employee;
- When he/she qualifies for a family status change; or
- During any annual Open Enrollment period, which is usually held each November. Elections made during Open Enrollment will take effect the following January 1.

For more detailed information on the medical and dental plans, associates should refer to the Employee Benefits Package or the applicable Summary Plan Description.

Important! If an employee does not submit a completed enrollment form within 30 days after the earliest day for enrollment, he/she will automatically receive coverage under the PPO or Comprehensive plan (based on the employee's place of residence), and the appropriate contribution will be deducted automatically from his/her paycheck. He/she will NOT be enrolled, however, in the dental plan.

HEALTH CARE AND DEPENDENT CARE SPENDING ACCOUNTS

Each year during the annual Open Enrollment period, an employee elects to contribute funds to a Health Care or Dependent Care Flexible Spending Account (FSA) for the following year. If an employee chooses to waive contributions for the year, he/she may begin the program as of January 1 of the subsequent year, provided he/she is eligible for the plan at that time. For more information on this plan, employees should refer to the Employee Benefits Package or the applicable Summary Plan Description.

PROFIT SHARING RETIREMENT SAVING PLAN BENEFITS

The Profit Sharing Retirement Savings plan makes regular savings convenient and easy. It has several features that help an employee get the most from his/her savings, including:

- Employee Pre-tax contributions;
- Matching Company contributions; and
- Profit-sharing contributions.

Automatically, an employee will be mailed an enrollment kit from T. Rowe Price within 30 days of his/her date of hire. For more detailed information on this plan, please refer to the Summary Plan Description.

GROUP UNIVERSAL LIFE INSURANCE

The Group Universal Life Insurance Plan is a voluntary plan that allows an employee to:

- Provide additional life insurance protection at low-cost rates;
- Provide life insurance coverage for an employee's spouse and children; and
- Save for the future under the cash accumulation account feature.

After he/she is hired, an employee has 31 days to enroll for Group Universal Life insurance. If an employee enrolls after this 31-day period, he/she must provide proof of good health at their expense before the coverage takes effect. Employees should remember that this plan is not sponsored by the Company. The Company has arranged to offer this coverage for eligible employees and family members. The Company enables employees to pay for this coverage through convenient payroll deductions.

EMPLOYEE ASSISTANCE PROGRAM

The Employee Assistance Program (EAP) is a voluntary, confidential counseling and referral service. It is designed to assist full-time employees and their families who are encountering personal problems. The Company has engaged the services of Corporate Counseling Associates, an organization of trained professionals. Experienced EAP counselors assist individuals with a variety of personal problems and concerns. They may be contacted at 1-800-833-8707.

CHILD-CARE COUNSELING AND REFERRAL PROGRAM

The Company's Child-care Counseling and Referral Program helps our employees evaluate all types of child-care services, from hiring a baby sitter to choosing a child-care center. This service is provided nationwide by LifeCare.com. For more information on the program, employees should refer to the Employee Benefits Package.

SHORT-TERM DISABILITY

The Company defines a short-term disability as an absence from work due to a non-work related injury or illness that lasts at least eight consecutive days. For more information on short-term disability benefits, employees should refer to the Employee Benefits Package or the applicable Summary Plan Description. Please contact the Benefits Department directly for information on filing a short-term disability claim.

Benefits Disclaimer

The benefits described in this Handbook are general explanations. These are not intended to provide an employee with the details of these benefits. Therefore, this Handbook does not change or otherwise interpret the terms of the official Benefit Plan documents. An employee's rights can be determined only by referring to the full text of the official Plan documents, available for examination from the Human Resources Department or online. If any information contained in this Handbook seems inconsistent with the official Plan documents, the provisions of the official Plan documents will govern in all cases. Nothing contained in the Benefit Plan described herein shall be held or construed to create a promise of employment, future benefits, or a binding contract between the Company and its employees, retirees, or their dependents for benefits or for any other purpose. All employees shall remain subject to dismissal or disciplinary action to the same extent as if these plans had not been put into effect.

As in the past, the Company reserves the right, in its sole and absolute discretion, to amend, modify, or discontinue in whole or in part any or all of the provisions of the Benefit Plan described herein. This includes any health benefits that may be extended to retirees and their dependents. Further, the Company reserves the exclusive right, power, and authority, in its sole and absolute discretion, to administer, apply, and interpret the benefit plans described herein, deciding all matters that arise in connection with the operation or administration of such plans.

For more complete information regarding any of the Benefit Plans, employees should contact the Benefits Department or refer to the Summary Plan Descriptions, which are provided separately. If this Summary Plan has been lost or its descriptions misplaced, employees should contact the Benefits Department.

SHOPPING DISCOUNTS/PERSONALS

To allow all employees access to the Company's wide range of product lines, there are shopping periods scheduled at selected times during the year that offer employees a 40% discount at all Polo Retail Corporation (PRC) full-price locations. Employees should bring a Company-issued photo identification card or picture I.D. and pay stub to verify employment. To ensure that employees have the opportunity to shop during peak times, the Company schedules these periods for the start of the spring and fall seasons, during sale periods, and the holiday season. Specific instructions for these events will be posted at that time.

At any time, every employee (other than FSC store employees, see below for details) receives a 30% discount at our ~~Polo Ralph Lauren Factory Store Concepts (FSC)~~ Stores. This includes all Factory Outlets of America (FOA) and Factory Outlet Jeans (FOJ) stores. Polo limits discounts to employees, their spouses, domestic partners, or dependent children. Employees must be present at the time of purchase.

Each year, as an opportunity to expand the Company's discount policy, "Employee Shopping Days" are scheduled in the FSC stores to include extended family members and friends. For each event, employees will receive five coupons, each entitling the bearer to a 40% discount at all FSC locations. Employees should keep one coupon for their personal use and distribute the remaining coupons to family and friends. To receive the discount, it is not necessary for employees to accompany coupon bearers. Event dates will be scheduled throughout the year and employees will be notified in advance.

EMPLOYEE DISCOUNT PRIVILEGES

Polo Retail Corporation (PRC) employees:

PRC store employees, and those qualifying as PRC Corporate office employees, will receive a 65% discount in full-price retail stores on their wardrobe items. This discount is only applicable on merchandise purchased from Polo Ralph Lauren Retail stores, and is not applicable to purchases from Polo.com or other retailers carrying Polo

Ralph Lauren merchandise. The same group receives a 40% discount on non-wardrobe items.

Factory Stores Concepts (FSC) store employees:

FOA and FOJ store employees will receive a 40 % discount in FOA and FOJ stores.

During "Employee Shopping Days," store employees in FOA and FOJ will receive a 50% discount coupon for their personal use in the store where they work, as well as the four 40% discount coupons distributed to all employees for friends and family.

GENERAL GUIDELINES ON DISCOUNT PRIVILEGES

Polo offers an employee discount to every eligible employee, his/her spouse or domestic partner (as defined in the Company Benefit Plan), and the employee's legal dependents. Employees must be present at the time of purchase. Extended family members and friends do not qualify for a discount. An employee should always identify him/herself as such when shopping at a Company store. ~~Also, when shopping at a Company store, an employee has the responsibility to shop in a manner that avoids excessive returns.~~

Ralph Lauren Media employees receive the same discount benefits as Corporate PRL employees.

Club Monaco employees do not receive any discount in Polo Ralph Lauren stores.

Concurrently, Polo Ralph Lauren employees do not receive a discount in Club Monaco Stores.

This is subject to change at the discretion of Senior Management.

For information on Personals or Licensee purchases, employees should see their General Manager or Store Manager for details. Personals are non-returnable to full price or factory stores.

CHANGE IN STATUS

The payroll office must be advised of any change in their personal status (including but not limited, to address, telephone number, benefit eligibility or beneficiary designations) within 10 days of the change. Employees should consult the Benefits Department for changes in beneficiary designations or benefits status, particularly when there is a change to marital status or family structure.



XI: TIME OFF

EMPLOYEE STATUS DEFINITIONS

Throughout this book the terms full-time, part-time, regular, and temporary are used. These terms are outlined below:

Full-time: An employee who works 30 or more hours per week.

Part-time: An employee who works less than 30 hours per week on a consistent basis.

Regular: A full-time or part-time employee who works on a consistent basis every week with no break in service for any period of time.

Temporary: A full-time or part-time employee who signs an agreement to work for a temporary period of time. Or, an employee who works on an 'as needed' or 'as available' basis during sale periods, vacations, holidays, and when additional staffing needs occur.

VACATION

The Company bases the amount of accrued vacation time on an employee's level and years of service with Polo Ralph Lauren. If a holiday falls during vacation, the time will not count against an employee's vacation time. All actively employed full- and part-time employees are eligible for vacation according to the following schedule, with limitations imposed under the condition heading below. The following sets forth the vacation entitlements for employees:

- General Managers/Store Managers, Sales Associates, and Administrative Support**

General Managers/Store Managers, Sales Associates, and Administrative Support with one to four years of service are eligible for two weeks of vacation annually, accrued in the first fiscal year at a rate of two days in the fourth month of employment and one day each month following, for a total of up to ten days in the first year.

After the first fiscal year, vacation accrues as follows: one week after four months, and a second week after six months.

Employees with five to nine years of service are eligible for three weeks of vacation annually, accrued as follows: one week after four months, a second week after six months, and a third week after nine months.

Employees with ten or more years of service receive four weeks of vacation annually: one week after four months, a second week after six months, and a third and fourth week after nine months.

- Director Level**

Directors are eligible for three weeks vacation annually, accrued as follows: one week after four months, a second week after six months, and a third week after nine months.

In the tenth year of service, they are eligible for four weeks vacation: one week after four months, a second week after six months, and a third and fourth week after nine months.

CONDITIONS

1. Allotment refers to the maximum amount of vacation an employee can accrue during a fiscal year. Accrual refers to earning a portion of annual allotment.

Annual Allotment	Accrual Rate	Effective Date
Two weeks	First week	August 1
	Second week	October 1
Three weeks	First week	August 1
	Second week	October 1
	Third week	January 1
Four weeks	First week	August 1
	Second week	October 1
	Third and fourth week	January 1

2. Managers may approve use of annual allotment prior to the accrual of the allotment (with a maximum of no more than half of the allotted amount).
3. For regular full- and part-time employees with a varying number of working hours, a week will equal the average hours worked per week for the prior fiscal year.
4. Employees leaving the company will be compensated for any unused accrued vacation.

5. If an employee leaves the Company before the days he/she has taken have accrued, the Company may require that the employee reimburse un-accrued time.

SCHEDULING

The Company understands that personal convenience is a factor when selecting vacation days. Whenever possible, the Company will honor an employee's request. However, an employee should provide as much advance notice as possible. At a minimum, a request should be made at least two weeks in advance. Accrued vacation should be used within the fiscal year. Employees may carry over one week of unused vacation time through the first quarter of the fiscal year, to be used by the end of June.

To make a vacation request, an employee should obtain a Request for Time Off/Vacation Day form from his/her manager and submit it for approval. During peak vacation times, the Company expects more employees to request vacations than it can accommodate. The Company may not be able to approve all vacation requests. Also, peak business and block-out periods may preclude vacations inconvenient for the Company.

PART-TIME EMPLOYEES

Regular, part-time employees are eligible to receive vacation on a prorated basis, according to their regularly scheduled hours. For a weekly schedule with a varying number of working hours, the average work hours per week for the prior fiscal year will be used.

HOLIDAYS

Polo Ralph Lauren observes the following holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Hourly Employees

Full-time employees with at least 30 days of service will receive Holiday Pay (their normal base pay) for the holidays listed above.

If the store is open on any of the holidays listed, all full-time hourly employees scheduled to work will receive double time for the hours they work as holiday compensation. Those full-time employees (with at least 30 days of service) who are not scheduled to work will receive holiday pay as outlined above.

Salaried Employees

Salaried employees, with at least 30 days of service, will receive Holiday Pay for the holidays listed.

If the store is open on any of the holidays listed, all salaried employees scheduled to work will receive one paid day off to be taken within four weeks following the worked holiday.

Part Time Employees.

Part-time employees are eligible to receive Holiday Pay only when they work the actual Holiday. Part-time employee's daily pay rate is determined by their average number of hours worked per week.

Notes

- Eligible employees must work the first scheduled day before and the last scheduled day after the holiday in order to receive holiday pay. Pre-approved vacation and personal time scheduled in advance is the only exception to this policy.
- If a full-time employee's day off falls on a holiday listed, he/she will be given Holiday Pay for the day and an additional day off during the week, to be scheduled by the manager.

PERSONAL/SICK DAYS

In the best interests of the employee, and in the best interests of the Company, employees are encouraged to stay home when he/she is ill. ~~The employee will recover sooner and will not expose other employees to possible illness.~~ When absence due to illness seems imminent, he/she should contact the appropriate manager as soon as possible.

Polo allows each employee up to six, paid personal/sick days per year. New employees accrue these days at a rate of $\frac{1}{6}$ of a day per month worked for the first year. Personal days should be requested at least 48 hours in advance. Unless applicable state law requires otherwise, unused personal days may not be carried over from one year to the next. The Company will not compensate for unused personal/sick days under any circumstances, unless required by applicable law. In the event of a long-term illness or prolonged injury, an employee may be eligible for short- or long-term disability.

The Company pays full-time employees a regular salary during sick days and pays part-time employees according to the number of hours per week typically worked. A part-time employee's personal/sick day allotment is determined by using the following formula: Average hours worked per week times 120% = actual number of personal/sick time hours per fiscal year. For example, if an employee works 20 hours per week, the formula would be applied as follows: 20 hours x 120% = 24 hours of sick/personal time.

Those who remain sick for more than two consecutive days may be required to provide a doctor's note upon return to work.



XII: TYPES OF LEAVE

PREGNANCY LEAVE

Our Company treats pregnancy leave as any other short-term disability. Paid leave is available under the Company's sick leave and short-term disability policies. In addition, unpaid leave may be available under the Family and Medical Leave Act (FMLA) and under applicable state law. If eligible, an employee will receive short-term disability during the period in which her doctor considers the employee unfit to work. Typically, this occurs two weeks before the expected date of birth and six weeks postpartum.

In order to collect disability benefits, an employee must complete a Disability Claim form and submit it to the Benefits Department. Please contact the Benefits Department to request this form six weeks prior to the first day out of work.

PARENTAL LEAVE

Employees may be eligible for up to 12 weeks of parental leave upon the birth or adoption of a child. Such leave will run concurrently with FMLA leave, short-term disability benefits, and any other leave available under applicable law or under the Company's policies. If an employee has been with the Company for two or more years, the Company allows payment for two weeks of parental leave entitlement. (These two weeks must be taken within eight weeks of the child's birth or adoption.) An employee may also use vacation time or personal days if he/she wishes to continue to receive pay during the remainder of his/her leave. Employees may not use paid sick days as part of parental leave.

Any request for a leave of absence must be submitted in writing as far in advance as possible, and requests will be reviewed on a case-by-case basis by the staff member's supervisor and the Human Resources Department.

CONTINUATION OF GROUP HEALTH COVERAGE

The Company will continue an employee's group health coverage during an employee's FMLA qualifying leave, unless an exception applies under the law. This statement is intended to comply with FMLA regulations, and will be interpreted solely by the Company. This is subject to the FMLA and its regulations, which shall govern in the event of an inconsistency. The U.S. Department of Labor may investigate and resolve complaints of violation of FMLA. Employees may legally sue to enforce their rights. In addition to rights under the FMLA, an employee may possess family or medical leave rights under the laws of New Jersey, California, and other states. The FMLA does not supersede such laws that provide greater family or medical leave protection. For further information, check with the Human Resources Department.

JURY/WITNESS DUTY

Polo will grant a leave of absence to any full-time or part-time employee who has been notified to serve for jury duty, to respond to a subpoena to testify in court, or to exercise his/her right as a victim of a crime or violation. During this leave, employees will be compensated by payment of an amount equal to the difference between their jury duty allowance and their regular salary for up to two weeks of their leave. All other time off for witness duty will be unpaid unless applicable law requires otherwise. An employee should notify his/her supervisor, as well as Human Resources, as soon as a jury notice is received. A copy of the notice to serve jury duty should be submitted to the employee's supervisor for inclusion with his/her attendance record. The Company expects an employee on jury duty to report to work any day he/she has been excused, unless applicable law requires otherwise. Upon return to work, an employee must notify Human Resources

and must submit a Certificate of Jury Service indicating the number of days served. Time off for jury/witness duty will not decrease vacation accrual. However, unless applicable law requires otherwise, an employee must use his/her vacation time in the following situations:

- If an employee's presence in court is required as a plaintiff or defendant as part of a litigation unrelated to his/her job; or
- If an employee's presence is required in any litigation in which he/she is a plaintiff against the Company.

Important!

If the jury duty falls at a time when an employee cannot be away from work, then the court may allow selection of a more convenient time, if he/she makes a request in accordance with the court's procedures.

BEREAVEMENT LEAVE

If there is a death in an employee's family, he/she may request paid time off for the funeral and other arrangements.

Employees receive five days of paid bereavement leave upon the death of an immediate family member (spouse, domestic partner, child, parent, or sibling). All full- and part-time employees are allowed an emergency leave of absence, with pay, for any time lost from their regular work schedule for up to five days of paid bereavement leave. He/she will receive three days of paid bereavement leave upon the death of an extended family member (grandparent, grandchild, aunt, uncle, first cousin, niece, nephew, in-laws).

An employee should speak to his/her manager to discuss the appropriate amount of bereavement time. For other relatives who are not immediate or extended family members, employees may receive one day of paid bereavement leave. The Company may grant additional bereavement leave at its discretion.

MILITARY LEAVE

Employees performing duty in the military services of the United States, including the Armed Forces, the Army National Guard, the Air Guard, the Reserves, the Coast Guard, the Public Health Service, and any other category of uniformed service designated by the President of the United States in time of war or emergency, will be granted a military leave of absence. The length of the leave will vary upon each

individual employee's need to complete the service time requirement, but in every case, will meet the minimum requirements of applicable federal and state laws.

SCOPE

All full- and part-time regular employees of the Company who are United States citizens or residents eligible for active military service within the branches of the United States military.

DEFINITION

"Military Leave" is an absence from work granted to eligible employees to fulfill military service. There are three types of military service:

1. **Voluntary Active Service**—Service is defined as an absence due to an enlistment period that does not exceed five years of cumulative military duty.
2. **National Guard Service**—An absence to fulfill Reserve or National Guard initial active duty, annual service, or training obligations, generally a leave for two weeks (14 calendar days/10 workdays) or less.
3. **National Emergency Service**—Active military service where the employee is either drafted into the military due to war, other national emergency, or called to active service from the National Guard or other reserve status.

Military leave also includes any absence from work for examinations to determine an individual's fitness for any of the above types of duty.

LEAVE NOTIFICATION

Employees must notify their immediate supervisor of their need for a military leave. This should be done as soon as the need for the leave is identified, unless military necessity precludes providing advance notice. If time permits, the employee is requested to complete a Leave of Absence Request form to document the dates for which the leave is requested. The Leave of Absence form should include a copy of the official orders if possible.

COMPENSATION

Voluntary Active Service

As described below, eligible employees may continue to be compensated while on each leave of active military service. This payment will continue for up to a maximum

of 30 days following the commencement date of the employee's active military service. After that point, military leave will be unpaid. Vacation time can be used to supplement military pay after the initial 30-day period, except as otherwise required by state law.

If base military pay is less than the employee's regular Company base pay, the employee will be paid the difference between his/her military pay and Company pay. Such compensation shall be based on the employee's customary salary, excluding bonuses or similar amounts in addition to pay. These amounts shall be paid in accordance with the Company's regular payroll schedule; such monies shall be paid in accordance with the employee's instructions in his/her personnel file.

To calculate the difference between pay, individuals must provide military vouchers. Our Company treats pay to employees on military leave as wages and is subject to the normal Social Security, Medicare, federal, state, and local wage taxes.

Merit increase amounts and bonus amounts (where applicable) will be prorated to reflect the period of leave(s) for those that exceed 14 days.

National Guard Service

Employees must notify Human Resources at the time of the leave application in regard to their pay status in the military. If the employee earns less in the military than normal, the Company will pay the difference between the military pay and the normal base salary. If the employee earns more in the military than at the Company, no differential will be paid. The duration of this differential lasts up to 14 calendar days, except as otherwise required by state law.

National Emergency Service

With regard to their pay status in the military, employees must notify Human Resources at the time of the leave application. If the employee earns less in the military than normal, the Company will pay the difference. Compensation can continue for up to four weeks, except as required by state law.

POSITION GUARANTEE

An employee on a military leave of absence is guaranteed re-employment, according to the terms and conditions of the Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA) and applicable state law.

Upon return from a military leave of absence, (and provided the employee notifies the Company of his/her intent to return to active employment within the time frame described below) the Company will reinstate the employee to his/her former position, if the length of military leave is less than 91 days, or the same or a similar position if the length of service is 91 days or more after commencement of the military leave. An employee released from active duty with a dishonorable or bad conduct discharge, or any other discharge that is not under honorable conditions, does not qualify for protection under USERRA.

PROTECTION FROM DISCHARGE

Employees re-hired after a military leave of 181 days or more may not be discharged without cause for one year after the date of re-employment. An employee who is re-hired after a military leave of 30 days, but less than 181 days, may not be discharged without cause for a period of six months after the date of re-employment. Employees who are re-hired after military leave of less than 30 days are not protected from discharge without cause.

BENEFITS

Active Service, National Guard Leave, and National Emergency Service

To the extent permissible under the Company's respective Benefit Plan agreements, participation in the Benefit Plan of the Company will be continued on the same basis available during employment. This continues from the commencement date of an active military service and through the date of discharge. During this period, employees must maintain responsibility for paying their normal contribution toward the Benefits Plan.

Medical and Dental Insurance

Employees compensated by the Company during their leave will have such contributions deducted from their pay. Employees not compensated by the Company during any portion of their leave remain responsible for paying their normal contribution to such benefits on a monthly basis.

401(k) and Stock Purchase Plans

Contributions to the 401(k) plan will cease for employees at the end of the four-week, supplemental pay period. During this time, employees who are eligible for incremental Company pay, in addition to military pay, may continue or end their contributions to the 401(k) plan. Employees who opt to stop their contributions will be able to re-enroll in the plan when they return from leave.

After an employee's return, he/she has up to three times the length of the military leave, not to exceed five years, to compensate for missed contributions. During that same period, the Company will match the employee's missed contributions, in accordance with the Company's plan.

Service

Time spent on approved military leave counts toward continuous service eligibility in the 401(k) and vacation plans.

RETURN TO ACTIVE EMPLOYMENT

The length of time that an employee has to notify the Company of their intent to return to active employment is based on the length of time spent in military service, not the type of service. This is described in the following table:

Length of Military Service	Deadline to Provide Notice
Less than 31 days	Next regularly scheduled work period on the first full day after release from service (taking into account safe travel home and an eight-hour rest period)
31 to 180 days	Within 14 days of release from service
181 days or more	Within 90 days of release from service

If reporting within the above time periods is impossible or unreasonable, due to no fault of the employee, then the employee must report back to work as soon as possible. If an employee has been hospitalized or is recovering from an injury sustained while serving, then these deadlines may extend for up to two years.

Required Documentation

If the Company requests it, an employee whose military service lasted for more than 30 days must provide documentation within two weeks of his/her return (unless such documentation does not yet exist or is not readily available). This paperwork would certify the length of military service, an honorable or general discharge, and a timely application for re-employment.

If an employee is a member of the United States Army, Navy, Air Force, Marines, Coast Guard, National Guard, or a member of the Reserves or Public Health Service and is ordered into active or reserve duty, then he/she will be granted a leave of absence and is entitled to re-employment in accordance with applicable law.

After receiving orders for active or reserve duty, the Company expects an employee to notify his/her supervisor and Human Resources immediately, submitting a copy of written orders.

CONFIDENTIAL



XIII: FAMILY AND MEDICAL LEAVE ACT (FMLA)

LEAVE UNDER THE FAMILY AND MEDICAL LEAVE ACT

The Family and Medical Leave Act (FMLA) provides eligible employees with up to 12 workweeks of unpaid leave for certain family and medical reasons during a 12-month period. During this leave, an eligible employee is entitled to continued group health plan coverage as if the employee had continued to work. At the conclusion of the leave, subject to some exceptions, an employee generally has a right to return to the same or to an equivalent position.

EMPLOYEE ELIGIBILITY CRITERIA

To be eligible for FMLA leave, an employee must have been employed by the Company for at least 1,250 hours during the 12-month period immediately preceding the commencement of the leave.

EVENTS THAT MAY ENTITLE AN EMPLOYEE TO FMLA LEAVE

FMLA leave may be taken for any one or for a combination of the following reasons:

- the birth of the employee's child or to care for the newborn child;
- the placement of a child with the employee for adoption or foster care or to care for the newly placed child;
- to care for the employee's spouse, child, or parent (but not in-law) with a serious health condition; and/or
- the employee's own serious health condition that makes the employee unable to perform one or more of the essential functions of his/her job.

A "serious health condition" is an injury, illness, impairment, or physical or mental condition that involves inpatient care or continuing treatment by a health-care provider.

HOW MUCH FMLA LEAVE MAY BE TAKEN

An eligible employee is entitled to up to 12 workweeks of unpaid leave during a 12-month period for any FMLA qualifying reason(s). The 12-month period immediately preceding the commencement of your leave is used to calculate the amount of FMLA leave available to you.

LIMITATIONS ON FMLA LEAVE

Leave to care for a newborn or for a newly placed child must conclude within 12 months after the birth or placement of the child.

While employed by the Company, both spouses are entitled to a combined total of 12 workweeks of FMLA leave. This falls within the designated 12-month period for the birth, adoption, or foster-care placement of a child with the employees, for aftercare of the newborn or newly placed child, and to care for a parent (but not in-law) with a serious health condition. Each spouse may be entitled to additional FMLA leave for other FMLA qualifying reasons (i.e., the difference between the individual leave for any of the reasons above and 12 workweeks, but not more than a total of 12 workweeks per person).

For example, if each spouse took six weeks of leave to care for a newborn child, each could later use an additional six weeks, due to his or her own serious health condition or to care for a child with a serious health condition.

INTERMITTENT OR REDUCED WORK SCHEDULE LEAVE

Intermittent leave is leave taken in separate blocks of time. A reduced work schedule leave is a schedule that reduces an employee's usual number of hours per workweek or hours per workday.

Leave to care for a newborn or for a newly placed child may not be taken intermittently or on a reduced work schedule unless the Company specifically agrees with respect to an individual leave request.

Leave due to an employee's own serious health condition or to care for an employee's spouse, child or parent with a serious health condition, may be taken all at once or, where medically necessary, intermittently or on a reduced work schedule.

If an employee takes leave intermittently or on a reduced work schedule basis, then the employee must, when requested, attempt to schedule a leave that does not disrupt operations of the Company. When an employee takes intermittent or reduced work schedule leave for planned medical treatment, the Company may temporarily transfer the employee to an alternative position. For the qualified employee, this would include equivalent pay and benefits that better accommodate recurring periods of leave.

REQUESTS FOR FMLA LEAVE

An employee should request FMLA leave by completing the Employer's Request for Leave form and submitting it to the Human Resources Department.

When leave is imminent for childbirth, placement of a child, or planned medical treatment for an employee's or a family member's serious health condition, the employee must provide the Company with at least 30 days advance notice, or such shorter notice as is practicable (i.e., within one or two business days of learning of the need for the leave).

REQUIRED DOCUMENTATION

When leave is taken to care for a family member, the Company may require the employee to provide documentation or statement of family relationship (e.g., birth certificate or court document).

An employee may be required to submit medical certification from a health-care provider to support a request for FMLA leave for the employee's or a family member's

serious health condition. Medical certification forms are available from the Human Resources Department.

If the Company has reason to doubt the employee's initial certification, the Company may: (i) with the employee's permission, have a designated health-care provider contact the employee's health-care provider in an effort to clarify or authenticate the initial certification; and/or (ii) require the employee to obtain a second opinion by an independent provider, designated by the Company and at the Company's expense. If the initial and second certifications differ, then the Company, at its expense, may require the employee to obtain a third, final, and binding certification from a jointly selected health-care provider.

During FMLA leave, the Company may request that an employee provides re-certification of a serious health condition at intervals in accordance with the FMLA. In addition, during FMLA leave, the employee must provide the Company with periodic reports regarding the employee's status and intent to return to work. If the employee's anticipated return to work date changes, and it becomes necessary for the employee to take more or less leave than originally anticipated, the employee must provide the Company with reasonable notice (i.e., within two business days) of the changed circumstances and new return to work date. If the employee gives the Company notice of his/her intent not to return to work, then the Company will accept this as the employee's voluntary resignation.

Before the employee returns to work from FMLA leave for the employee's own serious health condition, the individual may be required to submit a fitness for duty certification from the employee's health-care provider, with respect to the condition for which the leave was taken, stating that the employee is able to resume work. FMLA leave or return to work may be delayed or denied if the appropriate documentation is not provided in a timely manner. Also, a failure to provide requested documentation of the reason for an absence from work may lead to dismissal.

USE OF PAID AND UNPAID LEAVE

FMLA provides eligible employees with up to 12 workweeks of unpaid leave. If an employee has accrued paid leave (e.g., vacation, sick leave, personal leave), though the employer will require that the employee use any qualifying paid leave first. "Qualifying paid leave" is leave that would otherwise be available to the employee for the purpose which the FMLA

leave is taken. The remainder of the 12 workweeks of leave, if any, will be unpaid FMLA leave. Any paid leave used for an FMLA qualifying reason will be charged against an employee's entitlement to FMLA leave. This includes leave for disability or workers' compensation injury/illness, provided that the leave meets FMLA requirements.

DESIGNATION OF LEAVE

The Company may provisionally designate an employee's leave as FMLA leave if the Company has not received medical certification or has not otherwise been able to confirm that the employee's leave qualifies as FMLA leave. If the employee has not notified the Company of the reason for the leave, and the employee desires that leave to be counted as FMLA leave, the employee must notify the Human Resources Department within two business days of the employee's return to work that the leave was for an FMLA reason.

MAINTENANCE OF HEALTH BENEFITS

During FMLA leave, an employee is entitled to continued group health-plan coverage under the same conditions as if the employee had continued to work.

To the extent that an employee's FMLA leave is paid, the employee's portion of health insurance premiums will be deducted from the employee's salary. For the portion of unpaid FMLA leave, the employee's portion of health insurance premiums may be paid at the same time, as if made by payroll deduction, or paid in accordance with the Company's rules for leave without pay, or paid pursuant to a system voluntarily agreed to by the Company and the employee.

If the employee's payment of health insurance premiums is more than 30 days late, the Company may discontinue health insurance coverage upon notice to the employee.

RETURN FROM FMLA LEAVE

Upon return from FMLA leave, the Company will place the employee in the same position the employee held before the leave or an equivalent position with equivalent pay, benefits, and other employment terms.

LIMITATIONS ON REINSTATEMENT

An employee is entitled to reinstatement only if he/she would have continued to be employed had FMLA leave not been taken. Thus, an employee is not entitled to reinstatement if, because of a layoff, reduction in workforce, or other reason, the employee would not be employed at the time job restoration is sought.

The Company reserves the right to deny reinstatement to salaried, eligible employees who are among the highest paid 10% of the Company's employees—employed within 75 miles of the worksite ("key employees")—if such denial is necessary to prevent substantial and grievous economic injury to the Company's operations.

FAILURE TO RETURN TO WORK FOLLOWING FMLA LEAVE

If the employee does not return to work following the conclusion of FMLA leave, Polo will conclude that the employee resigned voluntarily. The Company may recover health insurance premiums that the Company paid on behalf of the employee during any unpaid FMLA leave, except that the Company's share of such premiums may not be recovered if the employee fails to return to work because of the employee's or a family member's serious health condition, or because of other circumstances beyond the employee's control. In such cases, the Company may require the employee to provide medical certification of the employee's or the family member's serious health condition.

ADDITIONAL INFORMATION

For further information or clarification about FMLA leave, please contact the Human Resources Department.

Note:

Some states in which the Company does business have different leave laws. The FMLA does not supercede such laws that provide greater family or medical leave protection. Employees should contact their local Human Resources Department for more information on additional state leave laws.

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XIV: SECURITIES TRADING POLICY

The Company maintains standards concerning the handling of non-public information relating to the Company and the buying and selling securities of the Company. This policy applies to all directors, officers, and employees of Polo Ralph Lauren, and any of its affiliates designated by the Company from time to time.

The consequences of insider trader violations can be staggering.

For individuals who trade on inside information (or tip information to others):

- A civil penalty of up to three times the profit gained or loss avoided;
- A criminal fine (no matter how small the profit) of up to \$1 million; and
- A jail term of up to 10 years.

For a company (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading:

- A civil penalty of up to the greater of \$1 million or three times the profit gained or loss avoided as a result of the employee's violation; and
- A criminal penalty of up to \$2.5 million.

Moreover, if an employee of the Company violates the policy statement of procedures relating to the policy statement, Company-imposed sanctions, including dismissal for cause, could result. Needless to say, any of the above consequences, even an investigation by the Securities and Exchange Commission that does not result in prosecution, can tarnish the reputation of both the Company and the employee, and irreparably damage a career.

POLICY OVERVIEW

If a director, officer, or any employee of the Company possesses material, non-public information relating to the Company, it is our policy that neither that person nor any related person may buy or sell securities of the Company.

Furthermore, they may not engage in any other action to take advantage of that information, or pass it on to others. This policy also applies to information relating to any other company, including the customers and suppliers of the Company, obtained in the course of employment with, or serving as a director of, the Company.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Employees must avoid any appearance of an improper transaction to preserve the Company's reputation, adhering to the highest standards of conduct.

MATERIAL INFORMATION

"Material information" constitutes any information that a reasonable investor would consider important in a decision to buy, hold, or sell stock — in short, any information that could reasonably affect the price of the stock.

Common examples of information frequently regarded as material are: information about unpublicized earnings or losses; news of a pending or proposed merger, acquisition or tender offer; news of a significant sale of assets or the disposition of a subsidiary; changes in dividend policies; the declaration of a stock split or the offering of additional securities; changes in top management; significant new products or discoveries; impending bankruptcy or financial liquidity problems; and the gain or loss of a substantial customer or supplier. Either positive or negative information may be material.

20-20 HINDSIGHT

If an employee's securities transactions become the subject of scrutiny, then they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction, employees should carefully consider how regulators and others might view their transactions in hindsight.

TRANSACTIONS BY "RELATED PARTIES"

The very same restrictions described above apply to the spouse, minor children, and anyone else living in the household of an employee, partnerships in which an employee is a general partner, trusts of which he/she is a trustee, and estates of which he/she is an executor (collectively called "Related Parties"). Polo expects directors, officers, and employees to be responsible for compliance with this policy by their Related Parties.

TIPPING INFORMATION TO OTHERS

Whether the information is proprietary information about the Company or other information that could have an impact on our stock price, directors, officers and employees must not pass the information on to others. The penalties above apply whether or not they derive any benefit from another's actions.

COMPANY BLACKOUT PERIODS

Directors, officers, and employees of the Company are prohibited from buying or selling securities of the Company in the public market during certain "blackout periods." These blackout periods begin two weeks prior to the end of each of the Company's fiscal quarters and continue through the first business day following the day on which the Company releases its quarterly earnings.

Employees should be aware that the blackout period described above may be modified by the Company at any time. In addition, the Company may, from time to time, determine that trading in the Company's securities is inappropriate even outside the established blackout periods. Accordingly, the Company may prohibit trading at any time. Employees will receive notice of any modification by the Company of its blackout period policy or of any prohibition on trading outside established blackout periods.

ADDITIONAL PROHIBITED TRANSACTIONS

The Company believes it is improper and inappropriate for any personnel of the Company to engage in short-term or speculative transactions involving the Company's securities. Because of this, it is also the policy of the Company that directors, officers, and employees should not engage in any of the following activities with respect to securities of the Company:

- **"In and out" trading in securities of the Company.** Any Company stock purchased in the open market must be held for a minimum of six months and, ideally, longer. (Note that the SEC has a short-swing profit recapture rule. This rule effectively prohibits officers

and directors from selling any stock of the Company within six months of a purchase. The Company is simply extending this rule to cover all employees);

- **Purchases of stock of the Company on margin;**
- **Short sales (i.e., selling stock you do not own and borrowing the shares to make delivery); and**
- **Buying or selling puts or calls in respect of securities of the Company.**

PRE-CLEARANCE OF ALL TRADES BY DIRECTORS, OFFICERS, AND OTHER KEY PERSONNEL

To provide assistance in preventing inadvertent violations and avoiding the appearance of an improper transaction (which could result, for example, when an officer engages in a trade while unaware of a pending, major development), the Company began implementing the following procedure:

All transactions in securities of the Company (purchases, sales, transfers, etc.) by directors, officers and personnel in the financial, accounting, controller's, and legal departments must be pre-cleared by the Vice President-Corporate Counsel. ~~Before contacting a broker or taking any other step to initiate~~ a transaction in stock of the Company, these employees should contact the Vice President-Corporate Counsel.

This requirement does not apply to stock option exercises, but would cover market sales of option stock, including sales of shares in a "cashless exercise" of an option. Employees must contact the Vice President-Corporate Counsel before contacting brokers or taking any other step to initiate a cashless exercise or other transaction in stock of the Company. And, in view of the fact that sales of option stock are likely to occur following an exercise, employees are encouraged to pre-clear all option exercises.

The Company will treat the creation, modification, or termination of a pre-planned trading program or arrangement established to meet the requirements of Rule 10b5-1 under the Securities Exchange Act as a transaction subject to pre-clearance at the time the plan is established, modified, or terminated. Persons subject to the pre-clearance policy described above should coordinate any such plans or arrangements with the Vice President-Corporate Counsel.

ASSISTANCE

Any employee with questions about this policy statement, or about specific transactions, may contact the Vice President-Corporate Counsel. However, the ultimate responsibility for adhering to the policy statement and avoiding improper transactions rests with the employee. In this regard, it is imperative that an employee use his/her best judgment.



XV: IF YOU LEAVE THE COMPANY

If employment with Polo Ralph Lauren ends, then an individual must attend to a number of final arrangements.

RESIGNATION OR TERMINATION OF EMPLOYMENT

Employees desiring to terminate their employment relationship with the Company are urged to notify the Company at least two weeks in advance of the intended termination. Such notice should be given in writing to the immediate manager.

WHAT HAPPENS TO YOUR BENEFITS WHEN YOU LEAVE POLO RALPH LAUREN?

Ending employment with the Company will affect an employee's benefits in the following ways:

MEDICAL AND DENTAL PLAN

Medical and dental coverage will end on the last day of the pay period of an individual's employment. However, an employee may continue their medical and dental coverage under COBRA. Within 30 days after receiving final pay, the insurance company will provide details on electing COBRA coverage. Employees must complete the necessary forms and return them to the insurance company within 60 days after receiving this information.

LIFE INSURANCE

Basic life insurance ends on an individual's last day of employment. An employee with Group Universal Life insurance may continue this coverage by paying the premium directly to the insurance company. The insurance company will provide details on implementing this program.

DISABILITY INSURANCE

Both short-term salary continuance and long-term disability insurance end on an individual's last day of employment (provided he/she does not qualify as disabled at that time).

HEALTH-CARE SPENDING ACCOUNT

An employee and eligible members of his/her family may continue to submit claims against the funds in the employee's account for expenses incurred before the last day of coverage (the last day of the pay period for which an employee is paid). By making after-tax contributions, an employee may keep his/her account open after receiving the last paycheck from the Company. In this case, an employee may continue to submit claims for reimbursement through the end of the plan year. Any money left in his/her account at year-end will be forfeited.

DEPENDENT CARE SPENDING ACCOUNT

An employee may continue to submit claims against the funds in his/her account for expenses incurred before the last day of coverage (the last day of the pay period for which he/she is paid). Any money left in an employee's account at year-end will be forfeited.

PROFIT-SHARING SAVINGS RETIREMENT

If an employee's vested account balance is \$3,500 or less, and T. Rowe Price does not receive his/her distribution form within 60 days of dismissal, then the vested account balance will be paid automatically in a lump sum. If an employee's vested account balance exceeds \$3,500, then he/she may receive the account balance in a lump sum or installments. The employee may choose to leave his/her account balance in the plan until age 70½. T. Rowe Price will provide the employee with information about payment of his/her account within 60 days after leaving the Company.

All questions regarding benefits after employment with the Company ends should be directed to the Benefits Department.

VACATION, PERSONAL AND SICK DAYS

An employee will be paid for any unused, accrued vacation time unless applicable law requires otherwise. Employees are not paid for any unused sick or personal days. If an employee takes unaccrued vacation time, the Company may require him/her to reimburse the Company for these vacation days in accordance under applicable law.

SEVERANCE PAY PLAN

The Company hereby establishes the Polo Ralph Lauren Corporation Severance Pay Plan.

The Company hereby establishes the Polo Ralph Lauren Corporation Severance Pay Plan. The "Plan" provides temporary and short-term severance benefits to certain employees of the Company and its participation affiliates who suffer a loss of employment under the terms and conditions set forth in the Plan. This program replaces and supersedes any and all severance plans, policies, and/or practices of the Company, its participating affiliates and for their active employees prior to April 1, 2001. The Plan constitutes an "employee welfare benefit plan" under Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended. No exceptions to these terms and conditions shall be permitted, except in accordance with the amendment and dismissal procedures described in the Plan. For further information, please contact the Company Benefits Department.

COMPANY DISCOUNT

Shopping discounts will end on the last day of an individual's employment. Wardrobing discount (PRC only) ends the date an employee gives notice.

SECURITY

An employee's keys, Company I.D. card, Access card, Diners Club card, American Express Corporate card, and

any other Company card in his/her possession must be returned to the employee's supervisor on his/her last day of work.

UNEMPLOYMENT

If an employee qualifies for unemployment benefits and remains unsure of the legal name of the Company that he/she worked for, call our Payroll department at (201) 531-6531. They will provide the proper name and identification number to help an employee process his/her claim.

PERSONALS

Personals orders placed before an employee's last day of active employment will be fulfilled. An employee will be notified when his/her order arrives to arrange for pick-up. Payment is due upon receipt. No additional orders may be placed through the Personals Department after his/her last day of employment. Employees involved with the Special Purchase Program will continue to receive a monthly statement regarding his/her balance. It is the employee's responsibility to make this payment according to the plan's schedule.

WHAT ELSE YOU SHOULD KNOW

- **Company Records and Property**—Company records and property belong to the Company and may not be removed from the Company premises, including keys, client book and client information. The employee will be responsible for reimbursing the Company for any existing or future debts and other charges that may be incurred by the employee.
- **Final Pay**—If an employee's last day is a pay day, then he/she will receive his/her check/pay stub at work as usual. If an employee's last workday is not a pay day, then final payment will be mailed to the address that appears on the check/pay stub or as required by local law.

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XVI: SOME FINAL WORDS

This Handbook presents highlights of the benefit plans and policies that apply to eligible employees of Polo Ralph Lauren Corporation.

Please remember that official documents govern these benefit plans and policies. This Handbook is not an official document. In the event of any conflict between official documents and this Handbook, the official documents will govern.

The Company reserves the right to change or discontinue any of its benefit plans or policies at any time, for any or all active and former employees on a leave of absence, with or without notice.

In addition, statements of Company policies, benefits, and regulations in this Handbook do not constitute the terms and conditions of an employment contract, either expressed or implied.

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POLO 00555



RECEIPT FOR EMPLOYEE HANDBOOK

I have received a copy of the Polo Ralph Lauren Handbook for employees of Polo Ralph Lauren Corporation and certain subsidiaries and affiliates. And I have read and understood its contents, including the statements in the Introduction describing specifically the purpose and effect of the Handbook, and including the policies on Confidentiality and Conflict, Privacy, and Electronic Communications. I understand that Polo Ralph Lauren is an "at will" employer and, as such, employment with Polo Ralph Lauren is not for a fixed term or definite period. Further, employment may be terminated at the will of either party, with or without cause and without prior notice. In addition, I understand that this Handbook states the Company's policies and practices in effect on the date of publication. Also, that the policies and procedures contained herein supersede any and all prior practices, oral or written representations and statements regarding the terms and conditions of my employment. I understand that nothing contained in the Handbook may be construed as creating a promise of future benefits or a binding contract with the Company, for benefits, or for any other purpose. I also understand that these policies and procedures are evaluated continually and may be amended, modified, or terminated at any time.

Please sign and date this receipt and return it to the Human Resources Department.

Signature: _____ Date: _____

Name: _____ Social Security #: _____

*Employees at facilities outside of New York and New Jersey, and employees subjected to a collective bargaining agreement, may be subject to other regulations or policies and should refer to the Handbook designed for their facility.

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